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NEWS SUMMARY

GENERAL

Indian troops sent to Tripura

Indian troops have entered the north-eastern State of Tripura, where hundreds of people have died in a civil war between tribesmen and immigrants from Bangladesh.

Six days of fighting with weapons ranging from bows and arrows to machine guns have killed at least 300 and made 50,000 homeless.

The scale of the fighting has shocked Mrs. Gandhi's Cabinet, which is trying to curb anti-immigrant violence sweeping north-east India. Page 3

Marines for New Hebrides

Britain is to send a company of Royal Marines to the New Hebrides in response to the spreading rebellion which began with a declaration of independence on Espiritu Santo.

On a second island, Tanna, an opposition leader has been killed, a policeman wounded and 29 prisoners freed from jail—but order has been restored. Back Page

Libyan killed

A Libyan was shot dead in Milan, coinciding with the expiry of the deadline set by Libyan leader Col. Muammar Gaddafy for dissidents to erturn home. Another Libyan was shot and wounded in Rome.

Afghan meeting

A senior Afghan general has had talks in Moscow on consolidating the "close co-operation" with Soviet armed forces amid reports of plans for a general strike in Kabul. Page 3

Times plea

Lord Thomson says Times Newspapers is not making sufficient progress towards introducing new technology. He appealed for the National Graphical Association to adopt "a positive approach." Back Page

TUC/CBI talks

The TUC and CBI are to hold a series of talks which are likely to cover a broad range of issues, including pay. Page 9

Smuggler jailed

Lebanese businessman Hani Taan, 45, was jailed for 12 years at Reading for smuggling cocaine worth £2½m—the biggest haul seized in Britain.

IRA warning

The Provisional IRA warned that it is resuming its murder campaign against Northern Ireland prison officers because of the failure to resolve the Maze Prison "dirty protest."

Arson cost

Fires started by vandals and arsonists cost between £80m and £100m in 1977, when total fire losses were £262m, the Home Office estimates. Page 8

M-way plea fails

The Appeal Court dismissed anti-motorway campaigner Lesley Lovelock's appeal against a High Court judge's refusal to quash compulsory purchase orders on land needed for the M25 in Essex.

Briefly . . .

Motorist was killed and six firemen injured in a collision between a fire engine and two cars in Merseyside.

A man was expected to appear at a Doncaster court today in connection with the killing of Hazel Solomon, 14, in South Yorkshire.

Angolan airliner crashed in southern Angola on Sunday, killing 29.

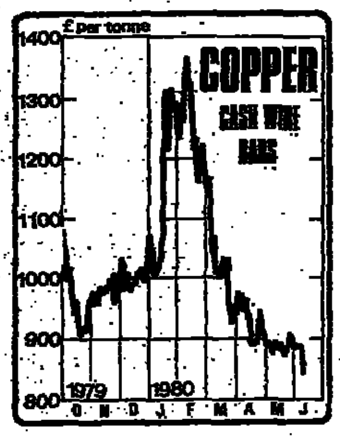
BUSINESS

Equities up 6.6; Copper falls

● EQUITIES recovered from disappointment at the mid-May banking figures, and the FT 30-share index put on 6.6 to close at 446.9. Page 34

● GILTS drifted lower, and the Government Securities index dropped 0.14 to 68.03. Page 34

● COPPER cash wirebars closed £19 down in London at £841 a



tonne — £50 below a week ago and the lowest since August last year. Page 33

● GOLD fell $2 in London to $602. Page 31

● STERLING was firmer, closing 15 points higher at $2.3345. Its trade-weighted index was 73.7 (73.5). DOLLAR rose to DM 1.7645 (DM 1.7620) and its index was 83.4 (83.2). Page 31

● WALL STREET was up 7.77 at 871.76 near the close. Page 32

● BRAZIL agreed to harder terms on its Euromarket borrowings when it asked international banks to raise $300m (£128.5m) credit for its utility, Eletrebras, at a margin of 1⅞ per cent over London interbank rates. Page 27

● CITY TAKEOVER Panel said former chairman of the St. Piran tin mining and property group, Jim Raper, was "unfit to be a director of a public company." Back Page

● LEADING STOCK Exchange member attacked as naive and premature a questionnaire being circulated by the National Association of Pension Funds. Page 8

● MOST OPEC members are to raise their prices by up to $2 a barrel from July 1 after a compromise pricing and supply package agreed at a three-day conference. Back Page and Feature, Page 22

● TOZER Kemsley Millbourn, the motor distribution and trading group, signed an option to buy Stonefield Vehicles, in which the Scottish Development Agency has invested £4m. Back Page

COMPANIES

● CONTROL of Rupert Murdoch's News International will effectively pass to his Australian master company under proposals for capital reorganisation. Back Page; The Murdoch empire, Page 28; Lex, Back Page

● SINGAPORE'S Times Publishing bought 27 per cent of British publisher Marshall Cavendish in a £1.4m "dawn raid" on the stock market. News Analysis, Page 26

● METAL BOX pre-tax profits for the year advanced only £1.61m to £59.84m after a second-half performance badly affected by the steel strike. Page 24 and Lex, Back Page

● HANSON TRUST, the industrial services and agricultural products group, raised first half pre-tax profits by £3.6m to £16.1m. Net interim dividend is 3.75p (3.3275p). Page 24 and Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Allied Breweries	84	+ 3	Lendu Rubber	75	+ 7
Amal. Dst. Products	38	+ 3	General Mining	860	+ 40
Beecham	135	+ 5	Gld. Mn. Kalgoorlie	356	+ 12
Cont. Stationery	52	+ 10	Pancontinental	340	+ 15
Dunlop	71	+ 3	Samantha Explor.	126	+ 18
Ferranti	550	+ 10	Samson Explor.	86	+ 17
Glaxo	308	+ 6	Tronoh Mines	300	+ 15
Hawker Siddeley	186	+ 6	FALLS		
ICI	368	+ 4	Cadbury Schweppes	55½	− 2
Land Securities	312xr	+ 5	Dundonian	69	− 7
Marshall Cavendish	22	+ 5	Heath (C. E.)	190	− 5
Metal Box	284	+ 12	Lee Cooper	183	− 12
Midland Bank	352	+ 9	Moss Bros.	235	− 15
NatWest Bank	352	+ 9	Ratners	55	− 4
Nott. Brick	185	+ 10	Spear (J. W.)	125	− 8
Nurdin and Peacock	136	+ 6	Sumrie Clothes	19	− 5
Ocean Wilsons	79	+ 5	Berkeley Explor.	202	− 13
Pilkington	208	+ 6	Doornfontein	622	− 41
600 Group	59¼	+ 3¾	Ventersport	686	− 20
Silkolene	173	+ 8			

Government may halt new council building

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A MORATORIUM on the start of new local authority construction projects is being considered by the Government as a means of keeping total public spending this financial year within planned ceilings.

The proposal has provoked a Whitehall row involving most of the major spending departments.

The halt on new schemes would affect housing, roads, schools and other capital projects and might last for between three and six months.

It is possible that some Health Service building and central Government projects might also be affected.

The proposal arises because the Prime Minister and the Tresaury are seriously concerned about the possibility of overspending this year, particularly by councils.

Present indications are that spending in excess of planned levels could absorb most of the recently agreed £710m saving in the UK's 1980-81 EEC budget contributions.

This is regarded as totally unacceptable, especially after the overrun in both public spending and borrowing in 1979-80.

The Prime Minister and the Chancellor are determined that overspending should be eliminated as soon as possible to defend the credibility of the Government's strategy.

It is no secret in Whitehall that Mrs. Thatcher has become irritated by Mr. Michael Heseltine's handling of the issue, particularly in view of the Environment Secretary's failure so far to produce an agreed circular on revised local authority budgets.

The Local Government Bill, which will replace the present rate support grant system, is still going through Parliament and will not give the central Government more direct control over councils until next year.

Economic Ministers have apparently argued that in the absence of effective immediate sanctions on current expenditure especially on the large number of Labour councils, some rough and ready action needs to be taken.

A moratorium has therefore been proposed since the central Government directly approves most capital projects.

Some spending Ministers are still unsure about how far this is a bargaining ploy, but they are sufficiently concerned about the idea to have made strong protests.

In particular, these Ministers argue that a moratorium on new projects would run counter to Tory attacks on the Labour Government's cuts in capital spending in 1974-79 on the grounds that such action dodged the real issue of pruning current expenditure.

It is also argued that a moratorium actually increases the cost of projects when they are eventually started and will seriously damage an already weak construction industry at a time of sharply rising unemployment.

The issue could provide a focus for Ministers who are sceptical about the current economic strategy.

The Treasury view is that the public spending and borrowing limits must be held and that local authority overspending must be dealt with sooner rather than later.

An intensive series of meetings is now under way and a decision is likely soon. This could be a forerunner of a tough rate support grant settlement for 1981-82 which could force councils to take restrictive action in anticipation this year.

The detailed arithmetic is that on present plans local authority current expenditure and revenue contributions to capital spending may be about £500m, or 3.7 per cent above planned levels, compared with a £554m overspending last year.

However, if revenue contributions to capital projects are excluded, prospective overspending in 1980-81 could be £734m, or 5.6 per cent.

The overspending is mainly because of the failure of councils to cut manpower, which accounts for about 70 per cent of their current expenditure.

NO U-TURNS, SAYS MRS. THATCHER

There will be no U-turns by the Government on economic strategy, Mrs. Thatcher said last night. She told the Press Association annual lunch: "We have a goal in sight and we mean to achieve it." The Government would do whatever was necessary to ensure monetary growth was reduced. Page 10

Bonn likely to press for farm deadline

BY JONATHAN CARR IN BONN AND JOHN WYLES IN VENICE

WEST GERMANY is expected to press for a deadline for reform of the European Community's financing — including changes in its farm policy—at the European Council meeting which opens in Venice today.

Chancellor Helmut Schmidt feels the reform must be in effect from the beginning of 1982, which means that EEC budget proposals to be prepared for that year in 1981 would have to take this into account.

Bonn is hoping for broad agreement in Venice on its proposal—even if commitment to the deadline is not specically endorsed in writing by the heads of state and government.

The Germans feel that without financial reform—the need for which has been underlined by the recent dispute over Britain's EEC Budget contribution—enlargement of the commuity to include Spain and Portugal could hardly go ahead.

Conclusion

The conclusion being drawn by the German Government is not that enlargement should be delayed, but that financial reform must take place quickly. That means, in particular, action to reduce the surpluses generated under the Common Agricultural Policy (CAP), which consumes about 70 per cent of the EEC Budget.

At first sight this position appears to differ from that of the French President, M. Valery Giscard d'Estaing, who appeared last week to be urging that enlargement should be delayed. However, German officials believe Bonn and Paris are agreed in demanding pre-enlargement financial reform, and that, moreover, both have some common ground on this with Britain.

One reason given for this coincidence of interests is that, under the terms of the EEC Budget compromise agreed earlier this month, France has emerged to join West Germany and Britain as a major net contributor.

Before the compromise was reached, France stood to be a net recipient from the EEC Budget of 15m (about £10m) units of account (EUA) in 1980 and 10m units of account in 1981. Following the deal, it will be a net contributor of 365m units of account (£244m) this year and 355m next. All the other six EEC members will be net recipients.

It is recognised that the addition of Greece, Spain and Portugal to the Community—with their own claims to agricultural finance in particular—could raise the net contributions of the "big three" to much higher levels. West Germany is already having serious domestic problems in raising its portion of the deal agreed with Britain alone.

The Bonn Government is thus toying with the idea that a ceiling should be put on the net amount EEC countries can receive from the Budget, as well as on the sums paid to it.

There is some support in theory for this idea at senior British Cabinet level, although other action would be needed to solve the farm surpluses problem in the British view.

The British also see irony in the fact that West Germany, which previously, with France, firmly rejected the idea of EEC juste retour, now seems to be embracing a variation of it.

It is recognised that this scheme is bound to meet considerable opposition from EEC members who are doing well out of the present budgetary arrangement. It is emphasised that there is no question of undermining the position of member states, such as Ireland, with a low per capita income.

However, as Herr Schmidt noted publicly earlier this week, there are several countries hardly worse off in per capita terms than the Germans—but which are major net recipients from the EEC.

Predecessors

He mentioned no names—but they include Denmark, which is due to receive 406m units of account from the EEC this year and the Netherlands which should receive 380m units of account.

Herr Schmidt is also expected to press Britain at the Summit not to cut North Sea oil production in the hope of later price increases, and to support a strengthened oil sharing scheme in times of crisis. Britain is unlikely to give him much comfort on either score.

The two-day Summit is expected to be considerably more tranquil and outward looking than its predecessors at Luxembourg and Dublin.

The Heads of Government will devote considerably more time to international issues, notably a possible Community "initiative" on the Middle East.

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Community seeks harmony, Page 2

Post Office opens tender to foreign companies

BY JASON CRISP

THE POST OFFICE has invited foreign manufacturers to tender for the supply of small private business exchanges in a major shift in policy.

Previously it ordered all major equipment from three British manufacturers — GEC, Plessey and Standard Telephones and Cables a subsidiary of ITT.

For many years these companies have been allocated orders by an agreed system of rotation. The decision for an open tender is a direct consequence of the proposal by Sir Keith Joseph, Industry Secretary, to relax the Post Office's monopoly, to ensure its product range will be competitive.

It has also been under strong pressure from users because of long waiting times for business exchanges of20 to 100 lines.

Mr. Michael Corby, executive director of the Telecommunications Users, Association, said last night the waiting time for private exchanges could be as much as 18 months or two years. Particular problems have been experienced in the City of London.

During the past two weeks, Post Office engineers have attended presentations from several international manufacturers, as well as GEC and Plessey which are offering large exchanges.

These companies include Siemens, the German electrical and electronic giant, IBM, ITT, General Telephone and Electric, Mitel, a small but rapidly growing Canadian company, and Thorn-Ericsson, the Anglo-Swedish venture.

The Post Office has designed and developed its own small computer-controlled electronic exchange, the Monarch, to replace exchanges it is supplying now. Installation is expected to begin later this summer and orders of £40m have been placed with GEC and Plessey. According to the Post Office, further orders are likely.

The Monarch is well thought of technically, but is believed to be comparatively expensive. A number of users have compared it with the Mitel exchanges, thought to be particularly price competitive.

Mitel supplies the giant U.S. company AT & T with small private exchanges. It has recently licensed the Post Office to develop and manufacture prototype microchips using a highly advanced technology, ISO-CMOS, particularly suitable for telecommunications.

GEC has just signed a licence to manufacture chips using this technology and Plessey is believed close to signing a similar deal.

Prime rate edges down

By Ian Hargreaves in New York

THE U.S. prime lending rate edged towards 12 per cent yesterday, when First National Bank of Boston, a major regional bank, cut its prime rate from 13 to 12 per cent.

Other large banks did not not follow the signal, but with other interest rates showing renewed signs of weakness yesterday, it is only a matter of time before they do so.

The credit markets appeared to be in optimistic mood yesterday as short rates returned to the two-year low points set at the beginning of the week. Three-month Treasury Bills were trading at midday at 6.5 per cent, having edged back almist to 7 per cent on Tuesday.

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£ in New York

—	June 10	Previous
Spot	$2.3265-3275	$2.3440-3455
1 month.	1.85-1.75 dis.	1.53-1.48 dis.
3 months	4.18-4.08 dis.	4.10-4.00 dis.
12 months	9.60-9.30 dis.	9.30-9.20 dis.

Chrysler halts payments to suppliers in bid to save cash

BY IAN HARGREAVES IN NEW YORK

CHRYSLER, the struggling U.S. motor company, still awaiting the first tranche of Government-backed loans, said yesterday that it had halted all payments to suppliers in order to conserve rapidly dwindling cash reserves.

The announcement came as the company and the U.S. government tried to step up pressure on a group of about eight U.S. and foreign banks which have seized funds en route to Chrysler accounts as part of their resistance to participation in the $3.5bn rescue programme.

The U.S. Treasury, co-ordinating this pressure, admitted yesterday that it would be unable to meet its Friday target for completing the process of getting signed guarantees from all the creditor bankers as Mr. William Miller, the treasury secretary, had suggested two weeks ago.

"We still expect to complete the process, but it will not now be until the second half of the month," the Treasury said.

The leading banks involved in the negotiations have from the outset insisted that none of Chrysler's more than 300 lenders should be allowed to escape from helping the company to survive.

Although participation in the rescue will cost the banks forfeited interest payments and restructuring of debts which could eventually be lost anyway, it is argued that an immediate collapse of Chrysler would be more costly to the banks.

But that argument has apparently not satisfied about eight other lenders.

Some weeks ago, one bank seized $8m of funds which were in transit from Volkswagen to Chrysler. Other banks, one French, one Japanese, and some American have done the same, in effect taking a financial hostage to improve their bargaining power. Seized funds total about $10m.

Although no-one expects the Chrysler rescue to fail after more than a year of efforts because of a handful of awkward banks, they admit that it is a very difficult situation in which Chrysler and the U.S. Government have limited ammunition.

It is reported in banking circles that the foreign banks involved have been warned about the risk to their future opportunities to do business in the U.S. if they refuse to back Chrysler.

The company almost ran out of cash in April, but was bailed out by a secured loan from the State of Michigan. With car sales last month at their worst level of the entire motor industry recession, Chrysler was bound to run into another cash crisis this month.

The Government, which is ready to issue $1.5bn in loan guarantees, cannot formally issue the debt documents until it has agreement from all the banks.

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EUROPEAN NEWS

Community seeks elusive harmony in Venice

BY JOHN WYLES IN BRUSSELS

FREED FROM the heavy burden of the UK budget row, heads of government of the European Economic Community will start today to restore harmony and direction to a community from which both have recently been sadly lacking.

Marooned for security reasons on an island in the middle of the Venice Lagoon, the meeting may find it easier to find a superficial harmony than to set up signposts for the EEC's future.

But in the atmosphere of fireside chat which should be restored now that Mrs. Margaret Thatcher has no more strident budget demands to make, the heads of government could well seek relief from domestic difficulties by concentrating on the equally pressing international issues confronting the EEC.

Most of them spring from the community's troubled relationship with the U.S. Four of the participants there, President Giscard, Chancellor Schmidt, Mrs. Margaret Thatcher and Sig. Francesco Cossiga, the Italian Prime Minister, will be hoping to ease tension at the world economic summit here in nine days time which President Jimmy Carter of the U.S. will attend.

Mr. Carter's fumbling on Afghanistan and Iran and his current problems in restarting the Camp David peace talks have undoubtedly done more than anything in recent years to stimulate the community's ever-present desire to assert independence from the U.S.

By tomorrow afternoon, the meeting should have issued a declaration calling for renewed efforts towards a Middle East peace settlement to include the Palestine Liberation Organisation. It seems the community is better at framing a common foreign policy than at settling some of its domestic problems.

The EEC's initiative tomorrow may be a syllable or two more explicit on Palestinian rights to self-determination than the community's last statement at the UN last September. The meeting may even decide to send an EEC emissary on a fact-finding tour around Middle Eastern capitals. But without U.S. endorsement and Israeli acquiescence, both of which are likely to be withheld, any EEC initiative is unlikely for the moment to be more than an interesting sideshow.

Nevertheless, the Nine have earned credit for a common position despite the susceptibility of West Germany and Britain to pressure from Washington and France's desire for an independent foreign policy. On other issues, such differences within the community have tended to result in untidy compromises.

The general condemnation of Russian involvement in Afghanistan and the much-trumpeted neutrality plan for Kabul failed to cloak serious differencies on what the European response should be to the Soviet invasion. The pretence of a common approach was undermined by President Giscard's decision to meet President Brezhnev in Warsaw and by a general reluctance to sacrifice national interests to sanctions against the Soviet Union, through curbs on high-technology exports, for example.

An attempt to repair relations with the U.S. by showing solidarity to secure the release of the American hostages was wrecked because none of the Nine, least of all the UK, was really prepared to make sanctions bite.

At a crossroads in its domestic development and still searching for a credible voice abroad, the EEC needs new ideas and political will. Perhaps these will be supplied by the successor to Mr. Roy Jenkins, the President of the Commission, who is due to be selected at Venice.

Within the next 18 months, the new President must help steer the community through attempts to reform its budget structure, reduce the costs of the Common Agricultural Policy, and negotiate the entry of Spain and Portugal, and the absorption of Greece. But now there are questions whether these challenges can be met without major changes to an organisation designed by and for six original members, does not work adequately to the benefit of Nine and may well be too thread-bare to embrace 12.

The British budget settlement has clearly precipitated the questioning now under way. The enlargement of the community to 12 members and the looming budgetary ceiling will ensure that the pressures for change will grow rather than diminish.

Apart from confirming the axiom that only out of crises can the community solve its crises, the EEC budget settlement has proved more painful in West Germany and France than might have been expected.

Heads of government could well seek relief from domestic difficulties by concentrating on the pressing international issues before the EEC.

While Mrs. Thatcher may not be wild about the concessions she has won, they are greater in both principle and cash than any of the Eight had wanted. The deal demonstrated how far one member's dogged determination can push the community.

Greece, Spain and Portugal have duly noted that entry terms into the EEC are of less importance when they can be renegotiated from a position of greater strength once inside.

One of the principal attractions of membership for them is CAP. Spain is a prodigious producer of olive oil, fruit and vegetables and French farmers recently demonstrated what they thought of Spanish competition by overturning lorries carrying Spanish produce.

Spanish impact on the CAP will be enormous and further costly regimes will have to be created if the CAP is not reformed before the Nine becomes 12.

President Giscard is not yet talking openly of CAP reform but in a speech last Thursday he virtually called for a freeze on further enlargement while the community tried to resolve the problems created by the last new batch of members. By this he clearly meant the British budget issue.

The problem highlighted by the UK is that the costs of community membership can be insupportable unless a country can benefit from the CAP. The three-year settlement of the UK's difficulties is now creating particular problems for Chancellor Schmidt. He has never been a fan of the CAP but his inclinations towards reform have in the past been smothered both by President Giscard and his Free Democrat coalition partners in Bonn.

West Germany's net payments to Brussels this year and next will be more than £2.2bn and the signs are that this is a burden which the community's traditional paymaster now finds politically insupportable. It is likely the costs of the British budget deal will prompt the Chancellor on Monday to demand a better distribution of EEC costs and an acknowledgment this will mean change in the CAP.

Herr Schmidt has set the end of next year as a deadline for the changes. This means that the second half of next year, which coincides incidentally with the British presidency of the Community, could well see the Community torn by an internal wrangle which would make the budget dispute look simple and friendly in comparison.

Mrs. Thatcher may find at Venice that recent adversaries are potential allies in the search for a remoulded Community whose benefits are to be shared more equitably.

But she has a tricky hand to play and could be hampered if the Labour Party commits itself to virtually unqualified withdrawal from the Community. Given the resentments her tactics have already aroused, a Labour Party nakedly against the EEC may tempt the eight to discount the UK in any reform of the Community on the grounds that the British will never be reconciled to membership.

Meanwhile, Mrs. Thatcher must have two priorities. The first fundamental reform of the CAP so that food costs in Britain and the direct budgetary burdens of membership are politically more acceptable. The second is to preserve the agreement she has just gained. It will almost certainly be in jeopardy in its third year, 1982, if not before, without a broad agreement on reform of the budget and the CAP. The obligations to farm spending and the UK will exceed the 1 per cent of the Nine's VAT collections which is the ceiling for the EEC budget.

The will be no thrashing out of these complicated issues in Venice today and tomorrow. This is not the time to open new wounds after others have just been bandaged. Nerves are too raw to permit more than delicate probing. France and West Germany may be nursing bruises from the past few months, but the smaller countries, Benelux, Denmark and Ireland have others. The British budget deal was a classic case of the big four imposing an agreement they had reached among themselves. But worse, new talk of reform can only be a threat to the smaller countries for whom the maintenance of the present community is both an article of faith and a strong national benefit.

President Giscard d'Estaing (above) and Chancellor Helmut Schmidt will be looking towards the world economic summit in nine days time.

Italy outdoes itself in security precautions

WITH IRRITATION but not without pride, Venice has girded her elegant loins to face an onslaught of international summitry that La Serenissima has not witnessed for centuries, writes Rupert Cornwell in Venice.

Today's meeting of European heads of government, to be followed by next weekend's summit of the West's seven biggest industrial powers, has produced truly Italian security precautions. They are lent genuine seriousness by a threat by the Red Brigades terrorist organisation to bring their own brand of excitement to proceedings.

Venice Airport is like a military base. The word is that 3,000 police and soldiers have been drafted in to guard today's meeting, which takes place at the Cini Foundation on the island of San Giorgio Maggiore, opposite St. Mark's and the Doge's Palace.

That may be conservative, to judge from the Dunkirk-like armada of launches and little ships, belonging to Italy's various police forces, swarming around the island itself and the lagoon city.

Then there are reputed to be 28 naval frogmen drafted in from the base at La Spezia, whom presumably we shall never see; as well as a grey helicopter-carrying frigate moored just 100 metres downstream from the Doge's Palace. Given that its cannons and missiles are a little unwieldy to take on the Red Brigades, one must accept an official's suggestion that the Italians are taking another opportunity of promoting their much admired and widely exported, naval hardware.

The Cini Foundation has been lavishly re-equipped as a Press centre, and last night a final coat of paint was being given to a score of brand new lavatories. "Just like a Sheraton," Sig. Bruno Visentini, the president of the Cini, disdainfully remarked.

The heads of state are taking no chances and bringing their own security guards with them. But these precautions will pale beside the circus expected to accompany President Jimmy Carter here in 10 days' time.

For once the British and French are co-habiting. Mrs. Margaret Thatcher and President Giscard d'Estaing are both staying at the Cipriani Hotel on the Giudecca, separated fro mSan Giogio by a narrow canal. Mrs. Thatcher's L200,000 (£103) a night room is directly above that of the French head of state. What diplomatic significance this has is obscure.

There have been losers. Five hundred insurance representatives of Hambros, in Venice for a junket, are said to have had their arrangements, finalised two years ago, disrupted. But Venice herself, the undisputed star of the show, tries with studied indifference to pretend that life goes on as usual even under siege.

Spanish officers divided over joining NATO

BY ROBERT GRAHAM IN MADRID

A HIGH proportion of senior officers in the Spanish armed forces favour Spain's membership of NATO, but a majority of junior officers are against joining the alliance. This is the principal conclusion of a poll conducted by the semi-official defence review, Defensa.

The poll was conducted among the review's 8,000 readers and is the first attempt to elicit opinion on the potentially controversial issue of NATO membership. The outcome is being given considerable publicity here and is being treated as the opening shot in the debate within Spain on the advantages and disadvantages of joining NATO.

The bilateral defence treaty with the U.S. expires in 1981 and the Americans have made it plain they would prefer any new defence arrangements to be within a NATO context. Thus the Government must make up its mind on membership of the alliance by the end of this year.

The poll was based on a 60/40 civilian-military sample of readers and showed that 53 per cent favoured Spanish membership of NATO. Of the military, 87 per cent of the senior officers responded favourably.

However, at the level of captain and lieutenant only 42 per cent favoured membership and the rest were against. Among non-commissioned officers, the percentage opposing NATO membership was as high as 57 per cent.

The opinions must be seen as only an approximate sample, especially as the number of non-commissioned officers responding was very small. Nevertheless, the result is seen to show an important generation gap in opinions. The views of the junior officers are also thought to reflect the continued uncertainty within Spain of the type of role the country should play.

The ruling Union de Centro Democratico of Sr. Adolfo Suarez has endorsed NATO membership but the Government has carefully refrained from committing itself, encouraging the view that Spain can play a bridging role between Europe and the Third World.

The Socialist and Communist parties are openly opposed to NATO membership. According to military experts, there are important differences of opinion between the various arms of the service. The air force and navy are reported to be the most committed to NATO membership. They also happen to be the most modernly armed and trained. The army is much less enthusiastic.

An indication of the forthcoming debate was given this week by a strong statement from Sr. Augustin Rodriguez Sahagun, the Defence Minister. He stated unequivocally that "we cannot be neutral because we are a European and Western country and because of the country's strategic position in the case of a conflict."

The Government is understood to be preparing a White Paper on the subject.

W. German inflation at 6%

By Roger Boyes in Bonn

WEST GERMANY'S Federal Statistics Office has scaled down its 6.1 per cent estimate of the year-on-year cost of living increase in May, but the revised figure of 6 per cent is still the highest since 1975.

But even with this adjustment, it has become evident that the Government can no longer count on an annual average inflation rate of 4.5 per cent this year. The country's economic institutes believe that an average of 5.5 per cent is now likely against 4.1 per cent last year.

None the less there has been a noticeable slowing in the month-on-month inflation rate. February prices rose 1.1 per cent over January, the figure was 0.6 per cent in both March and April, and the latest April to May increase is only 0.4 per cent. It had been estimated originally that inflation would peak about May-June and slow down, in line with generally slower growth.

Oil price rises may change this picture, of course. The statistics released yesterday show that the main areas of increase in the cost of living were energy related. Heating oil prices went up by 29.5 per cent compared with May last year, gas by 19 per cent, coal by 15.8 per cent, petrol by 24.3 per cent and air travel by 15.1 per cent.

Herr Guido Brunner, the European Commissioner responsible for energy, said at a conference in Bonn yesterday that the latest OPEC price rises and production constraints would worsen inflation and the general tendency towards recession in the European Community. Further oil price rises would not be justified, he said.

Patronat calls off talks on shorter hours

BY ROBERT MAUTHNER IN PARIS

THE FRENCH employers' federation (Patronat) yesterday cancelled talks with the trade unions on proposals to cut working hours, as a new wave of strikes hit public sector transport. The strikes are due to continue today in the electricity industry.

In the present circumstances, it was impossible to negotiate with the trade unions with "the necessary objectivity and serenity," a Patronat statement said.

The strike by electricity workers, expected to result in power cuts throughout the country today, is the fifth in two months. Supported by nearly all the trade unions, it has been called to protest against a new Bill which would permit workers in nuclear power stations to be dismissed without appeal if they were considered to have committed "a serious professional fault."

The Communist-led CGT, France's largest trade union, and the Socialist-oriented CFDT, claim that the Bill undermines workers' fundamental right to strike.

Though this is denied by the authorities, it is clear that the Government wants to make sure that the country's vital electricity supplies are not disrupted by industrial stoppages.

M. Francois Ceyrac, the president of the employers' federation, has called for the introduction of a "minimum service" by the state-controlled electricity utility, which would be assured even when strikes are total. This concept has already been accepted by the unions for radio and TV broadcasts, the police and air traffic controllers.

The cancellation by the Patronat of the meeting with the unions on the project to reduce working hours, has worsened the already tense industrial relations climate.

Employers have never been keen on the project and had to be persuaded by the Government to embark on negotiations with the unions.

As a result, the unions are now accusing the employers' federation of using the current strikes as a pretext for cancelling the meetings and of wanting to sabotage an agreement on the reduction of working hours.

More out of work in Ireland

By Stewart Dalby in Dublin

IRELAND'S UNEMPLOYMENT level at the end of May was higher than it has been since the winter of 1978, according to the Central Statistics Office.

The monthly figures show that 93,510 people were on the unemployment register. Although the Government does not publish a percentage unemployment rate, the general assumption is that the workforce is something over 1m giving a current rate of just over 9 per cent.

Since they exclude certain categories, such as farm labourers and school leavers, and do not distinguish whether married women are working, the official statistics understate the true position. Actual unemployment may well be over 10 per cent.

It seems likely to surpass this level even on the Government's estimates. According to the spokesman of the opposition Labour party, Mr. Barry Desmond, the jobless figure will rise above 100,000 before the end of the year.

A drastic reduction in Ireland's chronic unemployment was one of the main planks of the manifesto which returned the Fianna Fail party to power in 1977. The party then believed there might be no unemployment by the mid-1980s.

Later Mr. Jack Lynch, the former Prime Minister, and Dr. Martin O'Donoghue, his Minister for Economics and Planning, a vigorous programme of job creation was launched. Part of this drive was under the auspices of the Industrial Development Authority, the semi-state body which has been extremely successful in attracting foreign investment to Ireland.

In 1977-78, some 30,000 new jobs were created, bringing unemployment down to around 8 per cent. However, while the IDA continues to attract investment and create jobs, a parallel public sector work programme has suffered from the deflationary budget of last February and curbs in public sector spending.

Swiss mortgage rate under fire

BY BRIJ KHINDARIA IN GENEVA

INCREASES IN Swiss domestic interest rates, triggered by higher inflation, have brought the large banks under attack from both the Government and the central bank. The five large banks are putting up interest rates paid on savings accounts from September 1 and adding 0.5 per cent on mortgage rates from October 1.

The Swiss central bank has criticised the banks for deciding to raise mortgage rates without taking its advice. It thinks the increase is unnecessary and will add to inflation by putting up rents. And Mr. Fritz Honegger, the Economy Minister, told Parliament yesterday that he was very disappointed by the banks' determination to go ahead with the new rates without consulting the Government.

Defending the decision, the Swiss Bankers' Association said that further falls in interest rate margins on mortgage operations from the current level of 1.09 per cent would threaten some banks' survival.

Small banks are afraid of being swallowed by the five large banks if profit margins on mortgage loans continue to shrink especially as savings in Switzerland are declining, partly because of higher interest rates abroad.

Swiss banks made record profits last year and the Government is not convinced that they are in any financial danger. It would like to have kept mortgage rates unchanged as part of the fight against inflation. The banks blame inflation for falling savings deposits and argue that mortgage rates must reflect the growing tightness on capital markets.

Czechoslovakia fails to meet economic goal

PRAGUE — Czechoslovakia said yesterday its economy had slipped below target last year and that it had had to import more food to make up for crop shortages.

Mr. Leopold Ler, the Finance Minister, told the Federal Assembly that the country's national income was more than 1 per cent below the expected figure and the growth rate was 1.3 per cent below the average of the past three years.

Agricultural production was 3.9 per cent below 1978, he said, blaming bad weather for the low grain yield and said the country had to import about an extra $550m of grain to offset the losses.

Although Mr. Ler said Czechoslovakia had a budget surplus of $5m, the country had recorded a worsening balance of payments situation as well as a decline in labour productivity and efficiency. Reuter

Kielland sister rig to be altered

BY FAY GJESTER IN OSLO

THE NORWEGIAN hotel platform Henrik Ibsen, sister rig to the Alexander Kielland which capsized in the North Sea earlier this year, is to be altered and strengthened. It must meet new rules for mobile hotel rigs laid down by Detnorske Veritas, the Norwegian classification society, after the Kielland disaster.

The rig's owner, Stavenger Drilling, said Norwegian and foreign yards woul soon be aske to bid for the work, which would involve fitting extra struts and altering the struts and superstructure to make them watertight.

A second platform has now set out to drill in Norway's northern waters, after being delayed by about a fortnight by a Veritas ruling, also inspired by the Kelliand loss, that all mobile rigs must be inspected for cracks or structural faults. The Ross rig is expected to reach its drilling site, off Hammerfest, by Friday.

A third rig being prepared for service north of the 62nd parallel is still not finished. Repairs and inspections of the Byford Dolphin, which is to drill for Saga Petroleum off Trondelag county, are not expected to be completed until next week.

Swiss prices up

Swiss consumer prices were 4.3 per cent higher in May than a year earlier, writes John Wicks in Zurich. This is the highest year-on-year inflation recorded since January.

OECD prices up 13.9% on last year

By David White in Paris

CONSUMER PRICES in the main Western countries were 13.9 per cent higher in April than they were a year ago, according to figures published by the Organisation for Economic Co-operation and Development.

The average rise among the OECD's 24 members accelerated to 1.3 per cent in April after slowing to 1.1 per cent in March.

Blame for the rises was placed on seasonal factors and the timing of increases in public charges, especially in Britain and Japan. Food prices have shown only a moderate rise since the beginning of the year.

The increase over the last 12 months compares with a 9.9 per cent average rise in 1979.

The OECD said Turkey's inflation alone—at 117.4 per cent almost twice as high as any other country's — raised the overall figure by 1 percentage point.

The lowest rate for the 12 months was Switzerland's at 4.1 per cent, followed by West Germany's at 5.8 per cent.

W. Berlin's location no bar to investment—or profits

BY LESLIE COLITT IN BERLIN

WHAT IS GOOD for Siemens almost has to be good for West Berlin because every seventh production worker in the city —28,000 in all—is employed by the giant electrical engineering group. Founded here 130 years ago, Siemens still has its highest concentration of factories in the city.

Unlike many other cities where office workers now predominate, West Berlin remains a place of sprawling industrial complexes, belonging to large companies such as Siemens, AEG-Telefunken and Schering, that dominate the northern districts. Spandau and Wedding in West Berlin sometimes feel closer to grimy Leverkusen in the Rhineland, than to the Kurfürstendamm, Berlin's most famous boulevard.

This year West Berlin is getting DM 9.2bn (£2.2bn) in direct aid from West Germany —54 per cent of the city's total budget. West German financial aid is a question of survival because of the above average age structure of West Berlin's population—22.6 per cent of whom are over 65—and the isolation of the city 110 miles deep inside East Germany.

But West Berlin's location on the doorstep of the Warsaw Pact has not prevented companies such as Siemens from investing heavily—and making a healthy profit in the process. One of the reasons is that Bonn offers huge financial inducements, including tax write-offs and sharp reductions in the standard rate of VAT, depending on the value added to the products in the city.

In Berlin Siemens is almost a city of its own, called in fact Siemensstadt. The works housing — neat apartment buildings embedded in greenery —is a tradition with the company, which is spending millions to restore the bucolic appearance of the canal embankments that criss-cross its sprawling West Berlin industrial site.

Workers spend their lunch breaks in company parks. Siemens is currently training 1,000 apprentices in West Berlin, to most of whom it will give jobs.

However, the 2,600 Turks who work for Siemens in Berlin feel somewhat less a part of the big Siemens family with its 334,000 employees worldwide.

The Turks live in decaying tenements that form a virtual buffer zone between East and West Berlin in the Kreuzberg and Wedding districts. The city has undertaken to integrate its 100,000 Turkish inhabitants before it is too late. The last time Berlin had to absorb so many foreigners was in the late 1800s, when tens of thousands of Poles streamed into the dynamic capital of the young Prussian Reich.

But unlike the Turks they were Europeans, some Berliners say, ignoring Berlin's reputation to be Germany's most tolerant city.

Even the East German border guards who check the passports and pockets of the Turks who stream into East Berlin for a cheap meal, seem to have lost all patience with "those Ausländer."

This year Siemens is investing another DM 187m (£44.8m) in new plant and equipment in West Berlin after putting DM 1.5bn into the city over the past decade. Slowly Siemensstadt is losing its turn of the century red brick factories which are being replaced by sleek halls in decorative colours with sweeping lawns and lots of benches. The 20,000-odd products turned out by the plants were worth DM 3.2bn ($767m) last year. This, of course, was a modest part of the DM 28bn Siemens earned in world sales last year. But it was proof that the home town is far from dying off, as pessimists were predicting some years ago.

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Egypt 'wipes out budget deficit' at a stroke

BY ROGER MATTHEWS IN CAIRO

THE transformation of the Egyptian budget from large deficit to small surplus, despite increased subsidies, public sector pay rises and improved social security benefits, is to be explained by Dr. Abdul Razzak Abdel Meguid the deputy premier in charge of the economy, when he addresses Parliament this weekend.

The package appears to be a political triumph for the reconstituted Government which took office last month. Although hard-pressed exernally with the failure of the Palestinian autonomy talks, the new Government has in less than a month come up with apparent evidence to show the public that the promised economic improvement is under way.

Dr. Meguid startled Western economists last week when he made the remarkable announcement that the budget to take effect on July 1 would show a surplus for the first time in modern Egyptian history.

His statement came against the background of last January's budget, which estimated an overall deficit of over E£3bn (£1.9bn) and a net bank-financed deficit of nearly E£1bn (£628m). These deficits had been one of the prime reasons for the politically dangerous inflationary tensions that were developing and the failure of the Government to reach a new agreement with the International Monetary Fund.

Their removal, at least on paper, appears to have been achieved by taking public sector investment out of the budget calculations. By chance the current public sector investment target is just over E£3bn or almost exactly the figure given for the overall budget deficit. Thus, at a stroke, the deficit is eliminated.

However, Dr. Meguid is also proposing to give away another E£980m in the form of increased subsidies, wages and social security benefits. This he has accounted for by forecasting a total rise of E£1.15bn in revenues from crude oil sales, the Suez Canal and customs dues.

The budget as a result shows a surplus of some E£170m, which in the words of Dr. Meguid will be transferred to the newly-created National Investment Bank. This new bank appears to hold the key to the transformation of the budget in that it will probably be responsible for all public sector investment, although details remain scarce.

The whole of the public sector, which accounts for over 70 per cent of Egypt's industrial output, is likely to be the next major challenge for Dr. Meguid once he has finished with the budget. The deputy premier has said that it is to be totally reorganised.

However, Dr. Meguid's budget speech will be most keenly watched for his references to money supply. This has been increasing at an annual rate of over 30 per cent, and for any other measures that might be taken to combat inflation.

While the elimination of the budget deficit looks highly impressive on paper, independent economists see nothing in the known changes that would indicate a basis for a major improvement of the Egyptian economy, or indeed anything that will do any more than buy short-term political benefits in the hope that external pressures will eventually ease.

Pakistan to press case for debt moratorium

By David Housego, Asia Correspondent

PAKISTAN will be pointing to a marked improvement in the performance of its economy over the past three years when it presses its case for a major debt rescheduling at a critical meeting in Paris today of Western donor nations.

Pakistani officials claim that through European nations like Germany and Italy have been sympathetic to a moratorium on repayments of about $230m-250m a year over the next four years, the United States has been opposed.

No change in the U.S. attitude is expected today, notwithstanding U.S. offers earlier this year of $400m in economic and military assistance to Pakistan in support of the country following the Soviet invasion of Afghanistan.

The hostile U.S. stance is likely to be received indignantly in Pakistan and to confirm *Pakistani suspicion of* the unreliability of the U.S. as an ally.

Pakistan's case is that over the three years of President Zia-ul-Haq's martial law regime, the country has achieved an annual average growth rate of 6 per cent, or almost double the rate achieved during the early 1970s

Government decisions to raise support prices for farmers for wheat and cotton and to denationalise parts of industry as recommended by the World Bank have contributed to this improved performance.

At the same time exports have more than doubled in three years to $2.4bn for fiscal 1979/80 in spite of adverse world trading conditions.

Officials point to this recovery as proof that the economy is not in "a shambles" as many Western commentators and Pakistani opponents to the regime assert.

They also admit that unusually favourable harvests have played their part and that there is still no sign of a sustained increase in private investment.

Pakistan is seeking debt relief to help cover an estimated deficit on its overall balance of payments of about $540m for 1980-81. This assumes that at today's annual pledging meeting of donor nations the U.S. continues to withhold aid to Pakistan because of objections to its nuclear policy and that donor nations thus commit $750m out of the $1.05bn which Pakistan is seeking.

Net aid to Pakistan has fallen sharply over the last two years because of a rising burden of debt repayment following the expiry of an earlier debt relief programme in 1978 and the withholding of U.S. assistance.

In fact, in striking contrast to U.S. strategic policy in South West Asia, Pakistan now pays the U.S. in debt servicing substantially more than it receives in residual aid.

'CIVIL WAR' IN NORTH-EAST INDIA

Troops swarm into Tripura

BY OUR FOREIGN STAFF

TROOPS yesterday swarmed through the riot-torn Indian state of Tripura where hundreds of people have died in a civil war between tribesmen and immigrants from Bangladesh.

Six days of fighting with weapons ranging from bows and arrows to machine-guns have left at least 300 dead and 50,000 homeless, according to official figures. Indian journalists in the north-east state, from which foreigners are banned, said the toll was much higher.

Government envoys from Delhi arrived in the Tripura capital of Agartala, which has borne the brunt of the blood-letting. The scale of the violence has shocked Mrs. Indira Gandhi's Cabinet, which is struggling to curb a wave of anti-immigrant violence that has swept north-east India.

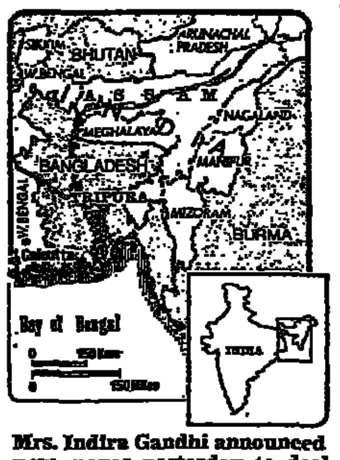
The carnage around Agartala has been the worst since unrest against immigrants exploded in neighbouring Assam last September, where students are demanding the expulsion of immigrants who have come in from Bangladesh and Nepal since 1951.

Faced with a sharp deterioration in law and order in the entire turbulent and remote north-east region of India, Mrs. Indira Gandhi, the Indian Prime Minister, yesterday offered to hold fresh talks on settling the agitation in Assam.

Mrs. Gandhi's offer, made in a speech to Parliament, was a response both to the worsening eight-month-old agitation in Assam over the demand for expulsion of foreigners and to the dangerous situation in the border state of Tripura.

For a number of years people from Bangladesh have been crossing over to Tripura to look for work. Officials claim that there are now hundreds of thousands of Bangladeshis in Tripura and that all are there illegally.

All the states in the north-east are in ferment over the demand for the expulsion of "foreigners," and the agitation in Assam has proved to be contagious. It has taken particularly virulent form in Tripura, where local people have savagely attacked Bangladeshis and Indian Moslems.



Mrs. Indira Gandhi announced new moves yesterday to deal with the agitation in Assam. But in Tripura troops were ordered to quell communal riots which left hundreds dead.

In the riots of the past few days, about 100,000 people have been driven away from their homes. The situation is so serious that nearly the whole of Tripura has been declared "*disturbed.*"

The airport has been temporarily closed to civilian traffic to permit the airlift of troops. About 2,000 troops have been airlifted to Agartala and they are helping two battalions of the Border Security Force, one central reserve police battalion and about 400 Assam Rifles personnel already deployed there. It is estimated that about 5,000 armed troops and police are trying to bring the situation under control.

Mrs. Gandhi's offer of talks with the Assam agitators and with the opposition comes as the threat grows that the rioting in *Tripura could spread still further.* The whole region is accessible only through a *narrow stretch* of territory north of Bangladesh, especially now that flights are uncertain because of the monsoon. The Government is anxious to end the trouble at the earliest possible time.

Mrs. Gandhi faces a serious *challenge, having allowed* the situation in the north-east to drift for the months in which she has been busy with politics *in other parts of the country.* Until now, the Assam movement has been mostly peaceful, but the violence in Tripura shows how easily clashes can be triggered.

Because inter-community riots affect vulnerable Indian Moslems as well as "foreigners," the pressure on Mrs. Gandhi to settle the agitation is growing. She offered yesterday to deport "foreigners" who have entered Assam since 1971, a major concession as hitherto she has not agreed to any "cut-off" date.

A major problem in deporting foreigners is that Bangladesh will not accept them. Relations between Bangladesh and India are rapidly cooling not only because of the trouble in the north-east but also the controversial sharing of the Ganges waters.

The Ganges level is low because this is the pre-monsoon "lean season" and Bangladesh wants more water. Mrs. Gandhi has threatened to revise the existing agreement on sharing of the waters.

Bangladash has told India after frequent protests that the border has been sealed and that no infiltrators are coming through. However, Indian border officials challenge this, and say there is a constant flow of illegal immigrants into Tripura and other north-eastern states.

The flow is adding to tensions. But as Bangladesh refuses to accept the "foreigners" back, they will have to be resettled elsewhere in India. This in turn poses a major rehabilitation problem.

The issue has also angered the Indian state of West Bengal because many Indian Bengalis who have settled down in the north-east are threatened with eviction.

Mrs. Gandhi faces a tricky task. Her willingness to negotiate suggests she appreciates that the use of force will not by itself solve anything. Deployment of troops in Assam only worsened the situation, and the move will help matters in Tripura only on a short-term basis.

At the moment, Mrs. Gandhi does not face a political threat over the issue in Delhi.

S. Africa hedges on labour reforms

By Quentin Peel in Cape Town

THE South African Government, while declaring its commitment to improving training facilities for black workers to overcome the economy's skilled labour shortage, yesterday declined to introduce any major reforms to help.

Instead it called on companies in the private sector to make a greater effort to train their black workers themselves, but remained insistent that wherever possible the workers should attend segregated training schools.

The Wiehahn Commission of Inquiry into labour legislation had its long-awaited recommendations on training for black advancement published yesterday, along with a Government White Paper. Both recommendations and Government reactions were hedged around with provisos designed to reassure white trade unions opposed to black industrial progress.

Mr. Fanie Botha, the Minister of Manpower, admitted that progress so far had been too slow in the face of a worsening bottleneck in skilled labour. But he declined to lay down clear guidelines for apprenticeship committees to promote black training.

Mr. Botha admitted that to *date only* some 50 black workers had been given permission for apprenticeship training.

One key recommendation to reassure white workers is that white apprentices be allowed deferment of their two-year military service.

Another proposal, accepted by the Government, is that courses in industrial relations training should in future be provided by the State.

Kabul general meets Soviet military chiefs

BY DAVID SATTER IN MOSCOW

A SENIOR Afghan military leader has held talks in Moscow on consolidation of the "close co-operation" between the Soviet and Afghan armed forces amid reports of preparations in Kabul for a general strike.

The Soviet news agency Tass said that Major General Gul Aqa, political chief of the Afghan armed forces, met with Marshal Nikolai Ogarkov, Soviet First Deputy Defence Minister, and General Alexei Yepishev, *political chief of the Soviet* Army and Navy.

Tass said Gen. Aqa thanked the Soviet military leaders for their action in defence of the Afghan regime and for "raising the fighting efficiency" of the regular Afghan armed forces.

An announcement about the discussions came shortly after Moscow television reported that clandestine "night letters" in the capital were calling on people to join a general strike. The report, from Kabul, blamed the preparations on prevacateurs and agents from Pakistan.

Reuter reports from Islamabad: Reports from Western diplomats in Afghanistan said yesterday that the Soviet armed forces, faced with an increase in rebel activity around Kabul, have moved quickly to crush opposition and to protect the capital.

Reports reaching Pakistan said that during the past week flights of big military transport aircraft from the Soviet Union have increased to more than a dozen a day. Patrols of helicopter gunships and sorties by fighter-bombers had been intensified, Soviet positions around the capital strengthened and extra convoys of tanks and armoured vehicles had been seen leaving camps around Kabul and heading north and south of the city.

The reports said artillery fire and bombing could be heard most nights on the outskirts of Kabul.

AMERICAN NEWS

Carter's controversial Chief of Staff leaves White House

Jordan to direct campaign

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

MR. HAMILTON JORDAN will shortly leave his post as chief of the White House staff to become what amounts to strategic director of President Jimmy Carter's re-election campaign.

It is intended that he will work alongside Mr. Robert Strauss, who will remain as nominal manager of the Carter-Mondale committee and its chief spokesman, and Mr. Tim Kraft, who runs field operations. Mr. Jack Watson, secretary to the cabinet, will assume Mr. Jordan's duties in the White House.

Mr. Jordan is a controversial figure in Washington. His sometimes rumbustious social life has attracted unfavourable comment and he has only recently escaped from the cloud of allegations that he used cocaine at parties in New York and Los Angeles earlier in the Carter Presidency.

But nobody has ever seriously disputed his political talents. He was the principal architect of Mr. Carter's extraordinary climb from semi-oblivion to the White House four years ago, and has been the guiding hand behind the scenes in the last year as, once again, Mr. Carter has recovered from the political depths to the verge of the Democratic Party's nomination.

The nub of that strategy has been two-fold: to use the powers of incumbency to the maximum extent possible (Mr. Jordan is known to believe that President Ford's discovery of this attribute came too late in 1976 to save his Presidency) and to make the character and policies of Mr. Carter's opponents, not the President's record, the principal issue.

This is an approach which, contrary to many expectations in the autumn of last year, has enabled Mr. Carter to acquire a substantial edge of Senator Edward Kennedy. Without doubt, it will be used with a vengeance in the Presidential election fight against Mr. Ronald Reagan and Mr. John Anderson.

The great strength of Mr. Jordan's position is the closeness of his relationship with Mr. Carter himself, who has often described his aide as "almost like a son to me." No other government official in Washington has the access to the oval office that Mr. Jordan possesses.

Moreover, there is simply no hard evidence to suggest that conflict has existed, or will exist, between Mr. Jordan and Mr. Strauss, himself considered by many to be the country's supreme political operator and fixer. Mr. Strauss has regularly expressed admiration for Mr. Jordan's political intelligence.

Hamilton Jordan

For much of last year, Mr. Jordan was, to all intents and purposes, de facto director of Mr. Carter's nascent re-election campaign. However, over the winter, he became increasingly involved in various aspects of the crisis with Iran.

Nevertheless, under Mr. Strauss and Mr. Kraft, the Carter campaign proceeded much as Mr. Jordan laid out in another of his prescient (and well written) political blueprints, this one laid out in a memorandum to the President in January last year, large chunks of which were made available to the Washington Post this week.

Reagan's senility pledge

MR. RONALD REAGAN said yesterday that, were he elected President, he would step down if medical examination detected any signs of senility, Jurek Martin writes. Mr. Reagan is 69 and would be the oldest man ever to assume the Presidency, if he were returned.

His age appeared a factor in early pre-primary skirmishing but was discounted as he vanquished his Republican opponents by waging a reasonably vigorous campaign.

In agreeing to an interview with a New York Times reporter who happens to be a qualified doctor, Mr. Reagan was clearly hoping to lay the age bogey to rest once and for all: indeed the article could detect nothing wrong with the candidate's health, apart from very slight deafness.

But such is the way that these things work that even references to senility in newspaper headlines may have the opposite effect to that intended.

Pentagon to disclose computer fault today

BY DAVID FISHLOCK, SCIENCE EDITOR

THE PENTAGON hopes to disclose today the cause of the computer fault which produced two false alarms of impending Soviet missile attacks on the U.S. last week.

They will probably say that the fault was a "sick" silicon chip in one of the 35 Honeywell/600 computers forming the World Wide Military Command and Control System inside a Cheyenne mountain in Colorado. This computer network, usually abbreviated to "Wimex," is the command and control system that unifies the three U.S. military services.

Wimex, on which the Pentagon has spent about $1bn (£447m) since 1971, is the heart of the North American Air Defense Command (NORAD). But for several years Wimex has attracted the attention of the U.S. Government's General Accounting Office, which has produced a series of increasingly critical reports—the latest last autumn.

The GAO's criticism of the cost and efficiency of an investment designed to co-ordinate and control all activity by U.S. forces anywhere in the world was given substance on November 9 last year. Wimex's computers indicated a missile attack from a submarine off the west coast of the U.S.

Ten nuclear bombers were scrambled from U.S. and Canadian bases, and 1,000 Minuteman intercontinental ballistic missiles with nuclear war heads were placed on low-level alert. Six minutes after the first "fault signal" from the computers it was concluded that they had made a mistake.

Congress last year was sufficiently convinced by the GAO's criticism of the Pentagon's project to cut several million dollars from its budget for this year. It also ordered the Pentagon to prepare plans for replacing Wimex.

Only days before the latest two alerts, the Pentagon produced a spirited defence of its Wimex system. It claimed that the kind of computer system its critics were demanding was not available anywhere in the world.

No computer or system available today can provide multi-level security, said a letter in the Washington journal Science, on May 30 from the Joint Chiefs of Staff. "We are hopeful that research under the Defense Advanced Research Projects Agency may lead to such capability, but it is now beyond the state-of-the-art of all computers, including Honeywell's."

This letter was quickly followed by two further alerts, on June 3 and June 6.

The Pentagon's explanation is that the first "fault signal" on June 3 led to a decesion deliberately to leave the faulty computer in the network, with fault-finding equipment added to try to pinpoint the trouble. It claims that this tactic worked, and that by today its engineers will have isolated the fault.

"We have narrowed the cause down to a specific fault in a single computer," claims Mr. Tom Ross, assistant secretary for public affairs at the Pentagon. Mr. Ross dismissed a question whether such tactics might risk provoking a dangerous reaction from the other side as "highly hypothetical."

Russians confirm Peru aid

By Our Latin American Correspondent

DESPITE THE big victory of the right in last month's Peruvian elections, the USSR is confirming its offer of aid for the $1.2bn (£536m) Olmos irrigation and power project. The project will take 15 years to complete and involves boring a tunnel to bring water from the Amazon basin to the arid coastal plain.

Mr. Boris Nikolaev of the Soviet State Committee for Foreign Relations, arrived in Lima this week to negotiate the financial details of the scheme.

Meanwhile, in a move to assure a strong conservative Government following the elections, the right-wing Accion Popular party whose leader, Sr. Fernando Belaúnde won the Presidency, has offered two portfolios in the incoming cabinet to the Popular Christian Party of Sr. Luis Bedoya Reyes. Both parties have similar political outlooks.

President-elect Belaúnde is expected to name Sr. Manuel Ulloa, a leading Peruvian entrepreneur who was exiled by the military Government of General Juan Velasco, as his Minister of Economy and Finance.

The outgoing Economy and Finance Minister, Sr. Javier Silva Ruete, declared on Monday that inflation could be reduced to 40 per cent this year, down from the 65 per cent registered last year.

In a new agreement between Occidental Petroleum and its Argentine partner Bridas and the Peruvian Government, the two foreign companies will join with Petroperu, the Peruvian state oil concern, in developing secondary recovery of oil from the declining oilfield of Talara in northern Peru.

Schmidt invites Senator for talks

BY OUR U.S. EDITOR

HERR HELMUT SCHMIDT, the West German Chancellor, has caused a flurry of speculation here by his unexpected invitation to a U.S. Senator to visit Bonn for private talks of an as yet undetermined nature.

Mr. Joseph. Biden, the Democrat from Deleware, left for the German capital on Monday night and is due back here today. He is chairman of the European sub-committee of the Senate Foreign Relations Committee and is being accompanied on his mission by Mr. William Bader, staff director of the committee, and Mr. John Ritch, its European expert.

Her Schmidt's invitation came out of the blue last Friday and is considered unusual. The Senator, who has conferred with the Chancellor before, had a private session with Mr. Edmund Muskie, the Secretary of State, on Monday morning before leaving and also talked to the White House, but neither Congressional nor Administration officials had definite information on the motives behind Herr Schmidt's initiative.

However, officials speculated that the Chancellor, who was being joined in the discussions with Senator Biden by Herr Hans Dietrich Genscher, his Foreign Minister, was principally interested in getting a reading of the mood in the U.S. Congress on international affairs before the Venice economic summit ten days from now, and to his own visit to Moscow shortly thereafter.

Mr. Biden's staff said that, as far as was known, the Senator was not carrying a message from President Jimmy Carter and did not necessarily expect to bring one back from Herr Schmidt: however, he was expected to report back to Mr. Muskie immediately on his return.

Jonathan Carr adds from Bonn: A Government spokesman said here that Mr. Biden had talks with both Chancellor Helmut Schmidt and Herr Hans Dietrich Genscher on U.S.-German relations and the Atlantic Alliance.

The spokesman saw nothing unusual in Mr. Biden's visit, noting that Herr Schmidt regularly had talks with members of the U.S. Senate, both in West Germany and during his own trips to the U.S.

However, it is clear that Herr Genscher used the occasion to try to clear up any misunderstandings which might have arisen over his attitude to U.S. relations, following a speech he delivered in Freiburg last Friday.

The speech has been interpreted in part of the German press as indicating that Herr Genscher was becoming less firm in his support for the U.S., and more accommodating towards the Soviet Union. Among other things, Herr Genscher had noted that Russians, as well as others, had genuine security interests.

However, the Foreign Office yesterday issued a statement stressing that Herr Genscher has also described European-American cooperation as "vital," had attacked "cheap anti-Americanism" and stressed the existence of common values between members of the Western alliance.

All-night debate on draft proposal

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER is set to get Congressional approval for his plan to register young American men for military service, as a signal to the Soviet Union of U.S. military preparedness—but Senate opponents are fighting a ceaseless rearguard action.

Under rules peculiar to the upper house, the Senate voted on Tuesday by 62 votes to 32 to limit debate on the draft issue. The vote firmly indicated majority sentiment in favour of the plan (which has already passed the House of Representatives) to spend $13.3m to register the names of 19 and 20-year-old men from next month.

The vote still left one hour for each Senator to talk, however, and Senator Robert Byrd, the Democratic leader, decided that if the Senate calendar were not to get totally clogged and the summer election recess delayed, the Senate should be kept in continuous session until the drama was played out.

Senators started the debate early on Tuesday, and red-eyed were still talking yesterday morning. The Senate's only woman member, Mrs. Nancy Kassenbaum, proposed that women be included (which Mr. Carter had originally planned), but this was squashed as it had been in the House.

Men born in 1960 and 1961 will this year be required to go to their local post office and fill out a simple form. Mr. Carter included the registration plan in his January State of the Union address to show the Russians that the U.S. meant business in confronting them in the Gulf area. But Senator Mark Hatfield, for one, has ridiculed the idea that a list of names is going to scare off the Kremlin. Registration would save only about a week in mobilising the country in an emergency.

Bolivian Congress backs election

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

CIVILIAN politicians of all parties but the extreme right have rallied in support of President Lidia Gueiler of Bolivia and against military plans to take power. Sr. Walter Guevara Arze, President of the Congress, dismissed military calls to postpone the general elections due on June 29 as "verging on the absurd," after the two houses of Congress, meeting in joint session, rejected the idea.

Significantly, even General Hugo Banzer, a former conservative President, now leader of the right wing Nationalist Democratic Action grouping, has voiced his opposition to the military demands. Gen. Banzer had been tipped as a possible beneficiary of any military coup.

President Gueiler has been doing her best to pour oil on troubled waters by minimising the importance of the incident last week when a drunken Lieut.-Colonel of her personal guard tried to batter down the door of her bedroom.

The Gueiler Government has held out against a military demand for the expulsion from Bolivia of Mr. Marvin Weissman, the U.S. envoy who angered the army with his support for elections this month.

It is likely that the U.S. has reminded the supporters of a military coup that if elections were postponed and the military sought power for itself, their action would jeopardise the present delicate negotiations on refinancing the Bolivian foreign debt.

Last week Sr. Francisco Soldati, director of the Argentine central bank, said in London that he was assisting the Bolivian Government in his negotiations with its creditors, adding conservatively that Bolivia needed up to $200m.

COB, the powerful trade union confederation, is maintaining its threat to paralyse the country with a general strike and the blocking of transport routes if the military [illegible]

Baltimore Canyon gas find

By David Lascelles in New York

EXXON, the world's largest oil company, has announced the discovery of gas shows in the Baltimore Canyon.

Mr. Clifton Garvin, Exxon's chairman, told Houston analysts on Tuesday that the shows, located in a well about 100 miles off New Jersey, "are the most encouraging thing we have encountered so far." The shows were at 12,000 feet, he said.

The canyon is potentially important since it would be the only production source close to the large energy-consuming [illegible] of the U.S. east coast.

WORLD TRADE NEWS

Tehran in long-term oil pact with India

By K. K. Sharma in New Delhi

IRAN yesterday promised to arrange long-term supplies of crude oil to India.

The assurance was given following talks in New Delhi between Dr. Reza Sadr, Iran's Commerce Minister, and Mr. Vereendra Patil, the Indian Petroleum Minister.

India imported more than 6m tonnes of crude and additional refined products from Iran until the disruption of supplies after the revolution. The supplies have been negotiated on a year-to-year basis and a team of Indian officials is to visit Tehran to finalise these contracts.

Dr. Sadr, in his three days of talks with Indian officials, has made it clear that Iran wants India to replace Western sources in the setting up of refineries and petrochemical plants. Both sides have agreed to consider using Indian groups for this purpose.

That Iran is serious about its bid to counter the sanctions imposed by the U.S. and the EEC was made clear when the delegation accompanying Dr. Sadr met businessmen and representatives of the Association of Indian Engineering Industry and the question of using Indian capability was thoroughly discussed.

Further talks are to be held, but an understanding was reached that exports from both countries would study which of the contracts that have been terminated by Western companies and governments can be taken up by Indian companies as prime contractors and subcontractors.

The Association's representatives pointed out that Indians could help improve capacity utilisation in existing industrial units in Iran as well as completing projects at various stages of implementation, setting up joint ventures in Iran for supply of ancillary services and components and arrange for reliable sources of supply to replace traditional Western suppliers.

Indications are that the Iranians will agree to allow Indian managers and technocrats to operate industrial projects and accept Indian assistance for design, construction and commissioning of projects relating to infrastructure development and industry.

It was agreed by both sides yesterday that since Iran wanted to shift reliance from the West to the Third World, the opportunity should be taken to register Indian consultants and prime contractors with tendering and project authorities in Iran.

Japan angered by U.S. steel dumping claims

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

AMERICAN allegations of dumping by the Japanese steel industry in the U.S. market are either ill informed or malicious, the Japan Iron and Steel Exporters' Association claimed yesterday in a strongly worded statement.

It describes top executives of U.S. Steel Corporation as being "extremely vocal" in their accusations against Japan and refers to "almost daily threats" to file a dumping petition.

Doubts are expressed, however, whether American steel makers really believe that Japanese steel has been exported at unfairly low prices. "At worst" the allegations could represent "a deliberate attempt to distort our industry's intentions and discredit our intentions," the association claims.

On May 21 the chairman of U.S. Steel, Mr. David Roderick said in New York that action would be taken against Japan, Canada and South Korea "within month or so."

In seeking to refute the American dumping charges the association makes the point that steel productivity in Japan is far ahead of American levels. Various U.S. studies, the report says, have credited Japanese workers with a 20 per cent productivity lead over their U.S. counterparts while some estimates put the gap at 50 per cent or more.

It is also claimed that wastage is far lower in the Japanese industry, mainly as a result of the prevalence of continuous casting.

Because of these and other advantages Japanese steel production costs are at least 30 per cent lower than U.S. costs, says the Japanese report.

Japanese steel exporters say they have been selling at "fair" prices in the U.S. market since the trigger price system was suspended on March 21. Dollar prices of Japanese steel are likely to be adjusted upwards later this year, reflecting the appreciation of the yen against the dollar during the past month.

The Association goes on to claim that, while falsely accusing Japan of dumping, American steel manufacturers have been selling at less than fair prices in South East Asia and Europe.

The Japanese paper briskly dismisses U.S. charges of discrimination against imports into Japan, noting that Korea and Taiwan sold nearly 2m tons of steel to Japan in 1979. It also accuses the U.S. industry of seeking special assistance from Washington while (incorrectly) claiming that the Japanese industry is government assisted.

The report ends by accusing the U.S. steel industry of "singling out foreign steel industries to be their whipping boys so that they can keep out imports and raise prices."

● The Japan Chemical Fibre Association said it has appealed against a U.S. International Trade Commission ruling that Japanese companies had been dumping acrylic yarn in the U.S.

AP-DJ

Random policing for Iran embargo

BY DAVID TONGE

THE BRITISH Government yesterday described how it would police the EEC sanctions against exports to Iran. Of the declarations required from exporters that they are not breaching the sanctions, a statistical sample is to be selected by Customs and sent to the Department of Trade.

The Department has taken on extra staff to cope with the work and will prosecute those it believes to be breaking the law.

This was announced yesterday by Mr. Cecil Parkinson, Minister of State at the Department of Trade, in evidence before the Commons Select Committee on Foreign Affairs. He insisted that Britain would not follow its EEC partners, who have introduced export licensing, saying this would be "expensive, bureaucratic and disruptive."

He accepted the characterisation of the sanctions as "an honour system subject to random checking."

Another committee member, however, criticised the confusion caused by the order and said the uncertainty meant that the Government had extended the controversial charge of "sus"—a 19th century law allowing people to be arrested on suspicion that they would commit a crime—to international trade. "If the department does not know what contracts are legal, how can lawyers?" he asked.

Mr. Parkinson said that the sanctions had caused the loss of one contract for £1m but insisted that no calculations had been made about how much British trade would be affected. He predicted that British exports to Iran would total about £400m this year. This is more than half the £751m exports in 1978, and, since exports had so far been running at about 50 per cent of 1978 levels, the implication is that the effect will be negligible.

The sanctions order allows the continuation of existing relationships, supplies under existing contracts and minor modifications to contracts. Unlike other EEC sanctions, it is not backdated to November 4.

Speaking before Mr. Parkinson, Mr. Douglas Hurd, the Minister of State at the Foreign Office, did not disguise the Government's scepticism over the use of the sanctions, making it clear that they had been introduced only to keep Washington happy.

Hong Kong orders permits for all textile imports

BY DAVID DODWELL IN HONG KONG

HONG KONG is to demand import licences for all textiles and garments coming into the Colony, according to a senior official in the Department of Trade Industry and Commerce.

The move is intended to answer critics from overseas who claim the Hong Kong authorities are not sufficiently vigilant in checking that goods carrying a local label are genuinely made in Hong Kong.

Import licences will be granted automatically, but will have to be obtained before goods are dispatched.

Controversy arose recently over a Hong Kong textile exporter who was discovered to have imported jeans from China which carried a "Made in Hong Kong" label when they left the Chinese factory. Falsifying certificates of origin is strictly illegal. The exporter appeared in a Hong Kong court at the end of May, pleaded guilty to the offence and has been fined.

The case became something of a "cause celebre" among textile manufacturers and trade unions in Europe, it is often alleged that manipulation of the quota system is commonplace and is in part responsible for the economic problems of the domestic textile industry.

As long as country-by-country quotas remain an integral part of the Multifibre Arrangement (MFA), which regulates world trade in textiles, Hong Kong authorities recognise there must be no confusion over the place of origin of textiles or garments.

Monitoring "certificates of origin" is, therefore, an essential part of marshalling the quota system. For the same reason, the Hong Kong Government introduced a system of export licensing over two years ago.

Liberia's ship rules unaltered

By William Hall, Shipping Correspondent

THE Liberian Government is mounting a major campaign to reassure the world shipping community that its maritime policies remain unaltered following the recent overthrow of the previous government.

Liberia controls the biggest shipping fleet in the world. The vast majority of ships belong to other countries but fly the Liberian flag. Following the recent Liberian coup there has been growing concern amongst shipowners and bankers that Liberia's attractive maritime policies might be changed.

Earlier this week Maj. Perry G. Zulu, Liberia's Minister of Finance, visited New York where he stressed to a meeting of shipowners, bankers and representatives of the oil companies that Liberia fully supports the previous Government's maritime policies.

Mr. Gerald Cooper, the Commissioner of Maritime Affairs, has also been visiting leading shipowners and bankers in New York, Greece and Hong Kong to reassure them that it is business as usual at the Liberian Bureau of Maritime Affairs.

Speaking in London yesterday he said that he had not noticed any shift of ships out of the Liberian register as a result of the change of Government.

Liberia had no intention of interfering with the present system of ship registration and would never prevent a shipowner de-registering a ship, he said. This is an area of concern for lawyers and bankers in particular, because if a ship cannot be de-registered from the Liberian flag it cannot be registered under another flag.

Pilkington in Mexican glass venture

WASHINGTON—The International Finance Corporation (IFC), a World Bank Affiliate, will join U.S., Canadian British and Mexican investors in providing $114.9m (£50m) for a Mexican flat glass manufacturing venture.

Vitro Flotado, an affiliate of the Vitro Group of Mexico, will build a new plant near Monterrey to produce about 150,000 tons of flat glass per year and will modernise its existing plant at the same location at a total cost of about $160m. Pilkington Brothers of St. Helens, Lancs., will be the technical partner in the project.

The IFC said it will provide $15m while a group of U.S., Canadian, British and Mexican Banks, led by First National Bank of Chicago, will provide $88.9m in floating-rate credits. The consortium includes Lloyds Bank International, Chase Manhattan Bank of New York, the Royal Bank of Canada, Banco Nacional de Mexico and International Mexican Bank.

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UNCTAD appointment

BY BRIJ KHINDARIA IN GENEVA

THE CONTROVERSIAL United Nations Conference on Trade and Development (UNCTAD) is likely to become a stronger supporter of Third World demands in economic negotiations with industrialised countries following the appointment of Mr. Jan Pronk, a former Dutch Development Corporation Minister, to the job of deputy secretary-general.

Mr. Pronk, 40, was one of the main architects of the Common Market development aid policies that led to the Lomé Convention. A professor in international development policy, at the Hague since 1978, Mr. Pronk has the reputation of a keen supporter of larger efforts by industrialised countries to help poorer nations. Mr. Pronk will take up his new duties on August 1.

The secretary-general of UNCTAD, Mr. Gamani Corea, has recently had his term of office extended for three years.

The General Agreement on Tariffs and Trade (GATT) also has a new deputy director-general—Mr. William Kelly, an associate U.S. Trade Representative and former chairman of the Trade Policy Staffs Committee in the Executive Office of the U.S. President.

Wind and willows fuel Irish energy hopes

BY OUR DUBLIN CORRESPONDENT

VISITORS to the Aran Islands, off the west coast of Ireland will soon see a new attraction, a large windmill on the mountain top. In the midlands of the country a peat bog is now covered in fast-growing willow trees. Ireland is getting in on the alternative energy game.

There are very good reasons why she should do so and, many believe, much more needs to be spent on research in this field. The incentive is the country's almost total dependence on imported energy, since domestic sources account for less than 30 per cent.

In addition, the scale of the Irish economy means that relatively small amounts of energy from renewable sources could make a significant contribution. The west coast, in particular, is one of the windiest places in Europe.

The latest series of oil crises have caused a radical re-think among Irish politicians, industrialists and civil servants about the country's future energy policy. A Department of Energy has been established and the Minister—Deputy Premier George Colley—has set about reversing most of the previous official policies.

The main change is a drastic downward revision of estimates of future energy demand. Ireland, as a developing economy, has a low energy consumption per head, but demand rises steeply with each rise in GNP.

It is now recognised that price and shortages mean this ratio will have to be reduced through conservation if long-term prospects for economic growth are not to be choked.

Even with conservation and possible alternative sources, Ministers believe the country's dependence on oil will have to be reduced, and sources of supply diversified. The latest series of shortages and price rises have caught the country less prepared, in some ways, than in 1973.

Dependence on oil is now greater and the balance of payments—heavily in deficit, unlike 1973—in no shape to take even the extra £500m bill. Inflation was high and rising even before the round of crude oil increases.

One of the first casualties has been the prospects for another centralised pay deal this year. Ministers and employers are insisting that workers cannot be compensated for price rises due to oil, while the unions are demanding full indexation.

Ireland has few heavy industries so it is the transport concerns which are hardest hit. The Irish Airline, Aer Lingus, will conduct a full review of its operations during the summer. It has already replaced two Boeing 707 transatlantic flights with one 747 and tightened up scheduling on its European routes to reduce the number of empty seats.

Despite these, and other changes, airline executives are doubtful if even the modest profits of the past few years can be repeated in 1980.

The vulnerability of supplies was brought home to the Irish last year, when shortages led to long queues at garages. The Government responded with the establishment of a state oil company—INPC—whose first task was to secure direct government-to-government contracts to bypass the oil companies.

So far two have been signed, with Iraq and Saudi Arabia. Between them they will supply 20,000 barrels a day, 16 per cent of the country's total requirements. More deals may follow and Mexico and Venezuela are believed to be high on the INPC shopping list.

But even with new suppliers, Ireland must diversify her energy sources, and here the emphasis is increasingly on coal. Two coal-fired stations are planned but the prospects for a nuclear power station look increasingly remote.

Mr. Colley seems to be coming to the view that the costs and uncertainties of nuclear power make it unattractive at present, especially since the hoped-for improvements in conservation may mean a third power station will not be needed until near the end of the century.

In the long run, Irish hopes are still centred on an oil find off the west coast, where this year's drilling season is just beginning.

Japanese spur Ford review in Europe

BY JOHN GRIFFITHS

FORD is reviewing its European operation, from investment strategy to manpower deployment.

The review has been prompted by fears that Ford and other European manufacturers may soon start falling dangerously behind the Japanese motor industry because of Japan's sustained high level of capital investment and disciplined workforce.

Managers at every Ford plant are examining processes, new equipment possibilities, cost saving measures and workforce reorganisation. But the company stressed yesterday that the review has not advanced far enough for concrete proposals to be put forward.

Although potentially major changes in work practices are implicit in the review, the company denied reports that it could soon be facing "uproar" over the review on shop floors in the UK.

Ford said: "Plant managers are talking to their line managers, picking up ideas. After that they have got to be crystallised and priorities set. When that time is reached we will be talking at individual plant level to the workforce.

"In the same way as the review will not give every plant manager freedom to change everything overnight, nor do we expect the unions to accept changes overnight. We're not about to ram anything down anyone's throat."

Many of Ford's plants are already highly automated and increased use of robots, for example, will be made only where it is thought appropriate. In any case, Ford lacks the resources to undertake the massive capital investment that would be needed to actually close the gap on the Japanese.

OPEN MIND

Ford said it still had "an open mind" on the changes *which might be introduced.* While meetings were going on continuously throughout Europe, the situation was more serious for British plants because of low productivity levels compared with Continental plants.

Ford says the study is urgent only in the general sense of falling behind Japan, but it is likely to want to implement at least some changes for the build-up to the expected launch of a Cortina replacement — code-named the Toni—in about two years time.

The launch of a new model, particularly one to replace Ford's best seller, provides the best opportunity for radical change.

The catalyst for the review was a visit to Japan early this year by Mr. Bill Haydon. Ford's vice-president for manufacturing.

When he returned, Ford employees were shown video-tapes of how the plants worked and the changes in working practices likely to be required.

Some of those changes have already been implemented. Ford has an increasing number of "quality control circles"—small groups of workers led by a foreman or supervisor.

Ford is already committed to involving all 140,000 European shopfloor employees in similar groups by the end of the year.

On the production side it is also beginning to use the Japanese "Kanban" system of stock control, a flexible system eliminating the need for substantial "buffer" stocks of components.

Philip Bassett, Labour Staff, writes: Union officials warned yesterday that Ford would have to fully consult its unions on any proposed changes in working practices.

They said, too, that the kind of changes being considered by the company would increase trade union pressure to move towards shorter working hours. Talks on shorter working have run into difficulty and there have already been warnings of industrial trouble.

Among the changes being considered in the company is a proposal which would improve lay off pay from its present rate of about 80 per cent of manual workers' pay to equal present basic and shift payments.

The company is also considering more selective lay-offs and cutting trade union activities in company time.

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Plessey Hydraulics starts short-time

BY LISA WOOD

THE 850-strong workforce at Plessey Hydraulics at Swindon, part of the Plessey group, has been put on short time from this week, the company said yesterday.

A world-wide fall in demand for agricultural products, including tractors for which Plessey supplies the hydraulic pumps, has been blamed for the short-time working at the factory on the Cheney Manor Estate.

Plessey Hydraulics said short-time "had been agreed by the total workforce in order to safeguard long-term job security as far as it was possible." It hoped there would be no need for redundancies.

The short-time working, which will involve no day shift on Friday and no night shift on Monday, will be reviewed every month.

Every two to three years the agricultural machinery industry suffers a recession. In the past Plessey made redundancies.

This year the recession in the industry was biting deeper, Plessey said.

Plessey's biggest customer is Ford, which has cut in the last year on orders at its tractor plant in Basildon where workers have been on short-time in recent months.

Ford confirmed yesterday that more temporary layoffs would be made in the transmission plant at the £125m Halewood factory on Merseyside as the drop in sales continued both at home and abroad.

About 85 per cent of the 1,826 hourly-paid workforce have been told to report back from the annual three-week holiday in August a week later than the men in the body and assembly plants. They will receive normal layoff pay.

At Ford's engine plant in Dagenham 3,200 hourly-paid workers will lose one week's work at the end of July, before their three week holiday in August. More than 2,770 foundry workers at the plant will be temporarily laid-off in the same period and will lose a further four days at the end of August.

Ford said the great bulk of layoffs were in its plants making the mechanical car components, and assembly plants in the UK had not yet been affected.

The fall in demand for motor components is being felt throughout associated industries. Ratcliffs (Great Bridge), of Tipton in the West Midlands, is making 50 workers redundant.

Trawler group wins damages

TRAWLER-OPERATOR Boston Deep Sea Fisheries was given a public apology and "appropriate" libel damages in the High Court yesterday over untrue allegations in a Sunday newspaper about "under-the-counter deals."

News Group Newspapers, publisher of the News of the World, was sued over an article published in May, 1977, headed "Fishy story with a catch in it."

In an agreed statement the publishers, the then editor and the reporter apologised to the company and unreservedly withdrew the allegations.

Offer of land

THE ASDA supermarket chain has offered to give 11 acres of land for playing fields plus £250,000 to a Norfolk Council, provided permission is given for a superstore to be built on the remaining seven acres of the site on the outskirts of Norwich.

Courtaulds stands by closure of Ulster plant

By Our Belfast Correspondent

MR. CHRISTOPHER HOGG, chairman of Courtaulds, yesterday told trade unions and local councillors in Carrickfergus in Northern Ireland that the company cannot reverse its decision to close the viscose staple yarn plant there.

Mr. Hogg visited the town yesterday to hear pleas to save the jobs of the 600 employed at the factory.

After talks with unions, management, the Rev. Ian Paisley MP and Carrickfergus Council, Mr. Hogg and senior company officials said the decision made a month ago must stand.

"We have not found anything which would cause us to change our original proposal to close the plant. That we greatly regret, but the overall trading situation in textiles is so serious that we feel we have no alternative," he said.

The closure follows the ending of polyester production by Courtaulds in Northern Ireland. It will leave only 330 workers at the Carrickfergus complex which two years ago employed 1,700.

£500,000 fish factory opens

ROSS FOODS, an Imperial Group subsidiary, has opened a £500,000 fish smoking factory in Hull.

The factory employs about 150 people in an area where unemployment is above the national average because of the decline of the UK fishing industry.

Ross's decision follows the rapid growth in the popularity of smoked mackerel in the late 1970s.

MUST ATHLETES MAKE DISPROPORTIONATE SACRIFICES?

Government to see Olympic leaders

THE GOVERNMENT has invited the leaders of Britain's Olympic athletes to a meeting on Tuesday to explain why it considers the Olympic boycott is in Britain's "security interests."

A letter from Lord Carrington, the Foreign Secretary, to Sir Denis Follows, chairman of the British Olympic Association, and to the 15 chairmen of the governing bodies of Olympic sports, said he appreciated there were still misunderstandings about Government policies and sportsmen felt they had been asked to make a disproportionate sacrifice.

He therefore wanted to set the Olympic issue in the context of Britain's wider policy, and would like to have frank exchange of views.

The move came just after the International Olympic Committee announced in Lausanne that 84 countries would attend the Games next month.

Lord Killanin, president of the IOC, said this was "34 more than I anticipated when I went to Moscow to President Brezhnev a month ago."

The Government has just revived its campaign to persuade individual British athletes not to go to Moscow even if they are selected.

Officials point to the example of New Zealand where only four of the 94 athletes chosen now seem willing to go to Moscow.

In Britain two leading fencers have said they would not join the team for which they had been selected.

The IOC said 72 countries were expected to compete in track and field, more than 40 in shooting, judo and weight-lifting, 37 in wrestling, 27 in archery and 26 in rowing.

Worst hit by the boycott is field hockey. In the men's tournament only four teams will take part. In the women's tournament the only entrant is the Soviet Union.

NEB to review decision on funding for Inmos

BY GUY DE JONQUIERES

THE NATIONAL Enterprise Board will review its decision last December to back a plan to inject a further £25m into Inmos, its microchip manufacturing subsidiary.

The review has been ordered by Sir Arthur Knight, the NEB chairman, and is expected to be completed in a few weeks. He will decide on the basis of its findings whether the full NEB Board should be asked to reconsider the future of Inmos.

A main objective will be to assess whether it is worth continuing to press for Government approval of the £25m request, or whether renewed efforts should be made to find a private sector backer for Inmos, either in the UK or the U.S.

In Britain the General Electric Company (GEC) has examined the project but has decided not to take a stake in it. Some large U.S. companies are believed still to be interested, though it is unclear whether they would want to take over Inmos' embryonic UK activities as well as its U.S. operation.

The NEB's faith in the commercial prospects for Inmos' chip technology seem to be unshaken and has, if anything, increased in recent months.

But the Board is clearly disturbed by the long delay in the Government's decision on the next tranche of funding and, in particular, by the political dispute over the siting of Inmos' proposed UK factory, which has complicated the decision.

The NEB has backed Inmos' demands that the factory be built in Bristol. But several senior ministers, including Mrs. Thatcher, say it must be located in Cardiff.

There seems little chance that the project's future will be decided by the end of this month, the deadline set by Inmos' founders for receiving a decision on the next tranche of funding.

Campaign

The NEB also hopes to decide by August how it will dispose of its 50 per cent shareholding in the Ferranti electronics group. It expects by then to have detailed proposals from bidders interested in acquiring the shares.

But in the Commons yesterday, Mr. Adam Butler, the Industry Minister, said the NEB had not yet sought Government consent to sell its Ferranti holding.

The NEB has been angered by what it considers a one-sided lobbying campaign mounted by Ferranti, which fears the shares will be sold to the highest bidder without regard to the company's future.

While conceding that it has a duty to the taxpayer to raise the maximum possible from the sale, the NEB has indicated that it must also be satisfied by the industrial strategy proposed for the company by bidders.

Bids will also be judged in the light of possible objections from the Monopolies Commission, which could intervene if the Ferranti shares were sold to a company with extensive interests in defence electronics.

Yesterday in the Commons, the proposed sale and the possibility that the shares may be bought in one block by GEC provoked strong criticism from Labour and Liberal MPs.

Mr. Bruce Millan, Labour spokesman on Scotland, said everyone at Ferranti, management and workers, was unanimously opposed to control being handed over to GEC.

Mr. David Steel, the Liberal leader, accused the Government of "carrying Tory philosophy to a ludicrous extent" by selling Ferranti shares to the highest bidder regardless of social consequences.

Clothes makers fear further market fall

BY RHYS DAVID

THE SHARE of the home market taken by UK clothes manufacturers is likely to decline further by 1982, according to the latest report of the industry's economic development committee.

It says the industry's share will be down to 67 per cent by 1982 compared with 79 per cent in 1975.

The projection — heavily dependent on future UK developments, world economics and enforcement of the GATT multi-fibre arrangement — assumes a 40 per cent rise in imports between 1978 and 1982 at 1975 prices.

Exports in the same period are expected to increase 18 per cent in value and production to decline 1 per cent.

The report, which lists progress made in the past year, says the Government and the public must appreciate the importance of resisting imports.

"The EDC believes the UK should remain an open market for goods from countries whose wage levels are on a par with our own.

"Nevertheless, the Government and the public at large must aim to create an environment and climate of opinion which does not in any way favour importers over UK suppliers.

"Nor sould exporters from any other country have greater ease of access to UK markets than UK exporters have to theirs," it says.

The problem, says the development committee, is that as consumer spending rises only about one-third of increased demand overall is being satisfied by domestic output. In the case of clothing the situation is even worse with virtually none of the increased demand going to the domestic industry.

Priorities

"Unless the UK's propensity to import can be reduced our industrial decline must continue. There must be a positive programme to encourage manufacturers to make new and sought after products and to give retailers and customers good commercial reasons to buy British."

Priorities for the industry, says the report, are effective marketing and creative design so that its products are right for its markets. It should continue to improve production levels.

There is also a need, it says, for individuals, and especially middle management, to raise their professional and personal skills, and for companies and industry institutions to help them, it says.

The Government is urged to press for improvements to the current GATT multi-fibre arrangement, the agreement which regulates world trade in textiles, when it comes up for renegotiation next year.

"An absolutely firm stance on this matter will be a key determinant in investment decisions by the industry," the report says. Stringent transitional arrangements to cover the three new EEC members—Greece, Spain ad Portugal—each of which has a strong clothing industry are also recommended.

Jobless on Merseyside

THE NUMBER of people employed on Merseyside has dropped by 123,000 in the past 10 years to its present figure of 667,000. Redundancies last year at 18,000 were up 7,000 on the previous year, and outward emigration of workers, mostly skilled, has been running at 10,000 a year.

These figures were given yesterday by Mr. Richard de Zouche, chairman of the Merseyside Chamber of Commerce and Industry, who also expressed doubts about the continuing effect on the area of current Government policy.

Changes in regional policy had resulted in selective assistance almost disappearing as an effective means of industrial regeneration in the development area, he said.

Midland Bank loan scheme

Midland Bank is streamlining its venture loan scheme for independent businesses, under which loans of £5,000 to £250,000 are available for up to 10 years.

Midland says interest will be charged at 3 per cent over base rate regardless of the amount of the loan. The arrangement fee is ½ per cent on the amount of the loan, with a maximum fee of £500. Repayments can also be by equal instalments, unless there are significant fluctuations in base rate.

Resort research

Many resort towns needed to do more research to find out the needs of today's holiday-makers, Mr. Michael Montague, chairman of the English Tourist Board, said in Southport yesterday.

Cut-price Hawaii

IN a growing price war between major tour operators, Intasun, the company which led the cut-price British rush to Miami, is offering holidays in Hawaii from £428.

Decline in building work continues

BY ANDREW TAYLOR

PUBLIC SECTOR construction work continued to decline on a broad front in the first quarter of this year, in spite of favourable weather.

Department of Environment figures published yesterday show an 8 per cent reduction in new public housing work, compared with the same period last year. New construction work in the public non-housing sector was 2 per cent lower than in the first quarter of 1979.

The decline in public sector construction output is even steeper than the figures indicate, because comparisons are made with the first quarter of last year, when bad weather precluded much building works. This year conditions were more favourable.

Construction output in Britain, including private sector work, rose 4 per cent, compared with the first quarter of 1979. But it was 2 per cent lower than in the last quarter of last year.

According to a forecast made earlier this week by the Building and Civil Engineering economic development committee, construction output is expected to fall by 5 per cent this year, following last year's 2 per cent decline.

Among the better-performing sectors in the first quarter was private industrial building. New work output was 9 per cent higher than a year ago but 2 per cent lower than in the previous three months.

New private commercial output was 1 per cent lower than in the previous quarter but 2 per cent higher than in the first quarter of 1979.

Repair and maintenance work continued the mainstay, particularly in housing where such output was 1 per cent higher than in the previous three months

Public non-housing repair and maintenance was 1-2 per cent higher than at the same stage last year but 1 per cent lower than in the previous quarter.

Private non-housing repair and maintenance output was unchanged on the preceding three months but 17 per cent higher than a year ago.

Value of all construction work carried out in the first three months of this year was £5.15bn at current prices.

The continuing gloomy outlook for almost all areas was reflected in the latest workload survey, conducted by the Royal Institute of British Architects, which provides a guide to future building levels.

Architects' workloads have fallen for the third successive quarter. Value of new commissions at constant prices was 25.3 per cent lower in the first quarter than at the same stage a year ago.

Mervyn Fogel resigns from Home Charm

BY JOHN MAKINSON

MR. MERVYN FOGEL widely tipped as next chairman of Home Charm retail group, has resigned from the company following "a disagreement on policy."

He has been director responsible for the Texas retail division at Home Charm and is the nephew of the current chairman, Mr. Manny Fogel.

Mr. S. G. Saideman, group finance director, said he could not elaborate on the reasons for Mr. Fogel's decision.

SHARES

Home Charm, one of the largest do-it-yourself retailers in the UK, also announced that Mr. Fogel had sold 361,700 shares out of his holding of 861,700.

The shares were placed with institutional investors at around 96p. The transaction was handled by Rowe Rudd rather tha nthe company's stockbroker, De Zoete and Bevan. Home Charm shares closed down 1p at 99p yesterday.

Mr. Fogel's resignation would not involve any new appointments at the company and his responsibilities would be taken over by Mr. Ron Trenter, another director, Mr. Saideman said.

Samuel Pepys collection fetches £100,000

THE FINEST collection of letters to and from Samuel Pepys, plus personal papers and documents, and three previously unpublished letters in short-hand, sold for £100,000, plus the 11.5 per cent buyer's premium and VAT, at Christie's yesterday.

The collection, nearly 600 items, dates from 1679-1703. It

SALEROOM

BY ANTONY THORNCROFT

is the chief source of knowledge about the later years of the diarist's life and includes 155 letters by Pepys to James II, Evelyn, Newton and others.

The collection was sold as part of the library of Arthur J. Houghton, one of the most eminent collectors of books and manuscripts in the U.S.

The session brought in £558,495, for a total to date of £2,113,810. The final sale is today.

Quaritch, the London dealer, paid £80,000 for a 1623 copy of Shakespeare's plays. John F. Fleming of New York paid £38,000 for a first edition of Milton's Paradise Lost, one of only three known in a contemporary binding.

A first, 1634, edition of Milton's Comus went for £30,000. Fleming gave £26,000 for Pope's First Copy of the Pastoral, his earliest surviving literary manuscript.

At Sotheby's, Old Master paintings brought in £206,350, with 21 per cent bought in. A pair of still-lifes of fruit and flowers by Jan van Kessel II sold for £22,000, reflecting strong demand for decorative still-lifes. Another still-life, of flowers, catalogued Verendael, made £9,000. Another pair, of flowers, catalogued G. P. Verbrugghen, sold for £4,800.

In the coin sale Bord paid £4,900 for a William and Mary five guineas of 1693, a fifth issue pound of Elizabeth I made £4,000.

Phillips sold a pot lid entitled The Truant for £1,800. At Phillips, in Leeds, Gathering Primroses by William Bromley realised £2,000.

GKN opens £48m steel rolling mill

ALAN PIKE looks at the opening of the new rolling mill at GKN's Bryanbo, North Wales, steelworks yesterday and what it will mean to the area.

A £48m highly automated rolling mill, which will increase annual capacity from 425,000 to 600,000 tonnes, was opened at GKN's Brymbo steelworks, near Wrexham yesterday.

The three-year Brymbo development will enable the company to produce special steels of up to 60 ft in length—almost double the previous maximum—for customers in the motor, engineering, mining and agricultural industries.

The new billet and bar mill has been welcomed by civic leaders and trade unionists as a sign of economic security in an area where many steel industry jobs are disappearing because of the British Steel Corporation decision to end steel making at nearby Shotton.

Mr. Trevor Holdsworth, GKN Group chairman, said at the opening ceremony in a particularly difficult and austere business climate—which was having some of its worst effects on the British steel industry—there would be "no prizes for being second rate and no future for being the second best."

Brymbo, which had lifted export sales from nil to 15 per cent of turnover in the past 14 years, had demonstrated that it could compete successfully to supply North America and Western Europe, he said.

The Brymbo works, acquired by GKN in 1948 has been nationalised twice—in 1951 and 1967—returning to GKN in 1974.

Mr. Holdsworth said he hoped any future government would accept sporting rules and "having won the Lonsdale Belt three times" allow GKN to keep the works permanently.

Yesterday's ceremony was threatened with disruption by strike action among the steel-work's 2,400 employees whose pay negotiators have failed to reach agreement. They decided to continue working normally pending a meeting involving national union officials today.

A central computer system, which processes customers' requirements and tracks material through all operations, makes Brymbo one of the most automated rolling mills in the country.

The company is one of the major private producers of special carbon steels and GKN says the new mill will enable it to improve quality still further.

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Pension funds probe 'naive and premature'

BY CHRISTINE MOIR

THE Stock Exchange is unhappy about a questionnaire the National Association of Pension Funds has circulated to its 2,000 members.

The pension fund managers are being asked their views on the two basic principles of the Stock Exchange rule book: fixed commission rates for brokers; and an immutable divide between the brokers' job as agents and the jobbers' positions as principals.

These are the two principles on which the Stock Exchange expects to be grilled before the Restrictive Practices Court later this decade.

While admitting the rules are restrictive, the Stock Exchange will defend itself on the basis that the restrictions are vital to the proper functioning of the securities market and popular with the major users.

"The last thing we need is a questionnaire which produces an ambiguous response," one leading Stock Exchange member said yesterday. "This questionnaire is naive and premature."

The NAPF asks two questions:

Do members want fully negotiable commission rates or unchanged fixed rates—or a mixture which would include a fixed minimum rate linked to dealing costs with extra services payable either in hard cash or negotiated higher commissions?

Secondly do they want stockbrokers to remain purely in an agency role or do they believe they should be allowed to act both as principals and agents? At present Stock Exchange rules prevent brokers acting as principals, a role restricted to jobbers.

The NAPF questionnaire follows a survey conducted some three years ago which sought to cover a number of matters relating to the securities industry. Response to that questionnaire was so poor—only 35 replies were received—that the NAPF did not publish the results.

Since then stockbrokers Grieveson Grant commissioned a study of the views of about 24 institutional investment managers on a wide range of securities matters.

Replies to this, which purportedly suggested that the fund managers were unhappy in their relationship with the Stock Exchange, also ruffled feathers. Many of the respondents have since denied part of the views expressed in the report which was prepared by Mr. Francis Kinsman.

In order to avoid a similar controversy the NAPF has restricted its questionnaire to the two basic issues on which it believes it will have to comment on as the court hearing gets under way.

The Stock Exchange believes pension fund embers have not been fully briefed on the implications to the market of abolishing the rules on commissions and capacity.

Solicitors pay compensation levy

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A SPECIAL £30 levy is to be imposed on solicitors because five small firms have defaulted in the past five months, giving rise to compensation claims totalling £1.5m.

The new levy will add about £840,000 to the Law Society's compensation fund which is used to compensate the public when solicitors misuse clients' money.

It will more than double the fund's annual income. With a proposal to increase the annual levy on solicitors from £30 to £40 it should take the fund to about £2m in 1980-81.

The fund which was set up in 1942 under the Solicitors' Act, has tended to get "into the red" each year, and has had to borrow from the Law Society's general funds until the next annual levy.

Levies are paid by solicitors in private practice—about 28,000 out of a total of 36,000. The remainder work in national or local government or commerce and industry.

In almost all cases the levies are paid by the firms rather than individual solicitors.

Vandals 'major cause of fires'

BY JAMES McDONALD

FIRES caused by vandalism and arson cost between £80m and £100m in 1977, out of a total fire loss of £262m, a Home Office working party report suggesterda yesterday.

Vandals may have caused about 20 per cent of fires in hotels, restaurants, clubs and public houses, and more than 50 per cent in schools, public entertainment centres—including cinemas, funfairs and amusement arcades—and agricultural and industrial buildings, the report says.

It recommends that occupiers of premises particularly vulnerable to vandalism should take preventive measures in consultation with local fire and crime prevention officers.

There should be closer coordination between the police and fire services and—where appropriate—the insurance industry in identifying and protecting potential targets of vandalism says the report. Fires which may have been started maliciously should be investigated more fully.

The report recommends better building design, and modifications to existing buildings, to limit opportunities for vandalism. The vulnerability of important targets should also be reduced by the installation of automatic intruder alarms, detector systems and sprinkler systems.

There should be surveillance of particularly sensitive areas and targets by caretakers, local residents and parents, staff or specially appointed guards, it says.

Report of the Home Office Working Party on Fire Caused by Vandalism, Fire Department, Room 915, Home Office, Queen Anne's Gate, London, SW1.

M3 target remains focus of policy

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE MAIN focus of Government monetary policy is still its target for sterling M3, the broadly defined money supply, despite City suggestions that attention has shifted to bank lending.

Whitehall officials are concerned that misunderstanding may have arisen after recent remarks by Sir Geoffrey Howe, the Chancellor.

He said: "The increase in bank lending is still being sustained. We wish to see firm evidence of a reduction on that front before we can be entirely confident about the timing of interest rates."

A reference to the subject in the Lombard column on page 12 of yesterday's Financial Times omitted two lines. These should have pointed out that there has been no shift in policy. The Government is still concentrating on sterling M3, although with obvious close attention to a large and erratic influence such as bank lending.

This point is particularly important now as the Government considers when to cut Minimum Lending Rate.

Stockbrokers Phillips and Drew concluded from the earlier remarks that there has been a shift of emphasis towards bank lending.

The firm believes this reduces "the efficacy of the money supply guideline as an indicator for participants in the financial markets in the economy generally and raises serious doubts about the value of the medium-term financial strategy which set objectives in terms of sterling M3 growth rates without analysing the implications for bank credit."

Phillips and Drew suggests that some moderation in the rate of bank credit growth in the May and June banking months may be recorded. This would probably be interpreted by the authorities as justifying a cut in MLR before mid-August.

Research agency expands to North

By Ray Perman, Scottish Correspondent

THE National Research Development Corporation, which backs inventions and innovations with risk capital, is to expand its activities by opening a series of regional offices in the UK.

The corporation, which is 30 years old, has worked exclusively from its head office in London.

Yesterday the first regional office was opened in Glasgow with a Scottish manager, Mr. Colin Dale. He was formerly with the Scottish Development Agency. A manager has also been appointed to open an office in Birmingham which will cover the Midlands.

There are plans to extend the network to Manchester and possibly Wales.

Sir Frederick Wood, chairman, said the corporation was a commercial organisation and it had decided to expand its operations for purely commercial reasons.

It was already providing financial support for 27 projects in Scotland, involving investment of £2.3m.

Since Mr. Dale's appointment in January 10 further projects, which could involve investment of £500,000, had been identified.

Mr. Dale said Scotland offered tremendous opportunities to develop inventions and technical innovations. Project support could be as little as £5,000 or as much as £5m.

There was so far no limit to the budget available for Scotland, he said.

The corporation was set up in 1949 under the Development of Inventions Act, which required it to be self-financing and to at least break even.

Mr. Steve Dolland, marketing director, said although the corporation was expected to be profitmaking it could therefore take risks which normal financial institutions would find unacceptable.

About three-quarters of its income comes from selling licences for public sector inventions. These profits are used to support inventions from private manufacturers.

Normally, the corporation provides 50 per cent of the development costs and obtains its return from a levy on sales for a limited period. If a project fails there are no repayments.

Alternative system for housing allowances sought

BY ANDREW TAYLOR

TAX RELIEF on mortgages and subsidies on council rents should be replaced by a new system of housing allowances, Mr. Tony Collinson, president of the Institute of Housing, said yesterday. The new system should be based on the annual income of home occupiers.

Mr. Collinson said at the institute's annual conference sweeping changes were needed in systems of subsidising private and public sector housing to ensure benefits were channelled to those in greatest need.

"This could perhaps be best achieved by a system of housing allowances, right across the board, covering both owner occupiers and those in rented property, which would be based on an annual taxation return.

"This would have the added benefit that many who currently take advantage of subsidies would have to reveal their income and so subject themselves to taxation which they escape at the expense of others."

Mr. Collinson said a "low-rent philosophy" was a major cause of housing problems in Britain. In 1970, people in France devoted 12½ per cent of household income to housing, and in Germany 16 per cent. Last year the Commons was told the per centage of household income applied to local authority rents in Britain was 7½ per cent.

He did not believe legislation giving council house tenants the right to buy their own homes would solve the country's housing problems. "I estimate that perhaps some 90 per cent of these tenants either cannot afford or do not wish to become owner occupiers."

First home buyers 'not deterred'

BY ANDREW TAYLOR

RECORD 15 per cent mortgage rates have not deterred first-time buyers from becoming home owners, but they are purchasing older and cheaper properties according to Nationwide Building Society.

In the first quarter of this year Nationwide approved 9,042 loans to first time buyers, 7 per cent more than in the same period a year ago. Overall the building society approved 2 per cent more loans.

While this performance does not reflect the experience of all building societies — most of which reported fewer applications for loans following the mortgage rate increase — demand from first time buyers has remained strong.

Nationwide says first-time buyers are having to commit 22 per cent of net income to meet monthly mortgage repayments, after allowing for tax relief, compared with 14 per cent two years ago.

But the building society says: "At the present rate of increase in average earnings, this percentage will have fallen back to the original 14 per cent by the end of 1980."

The proportion of first-time buyers aged 25 or under has also been increasing. Many of these are purchasing older properties with a view to making extensive improvements "with the help of mortgage finance and improvement grants."

In the first quarter of this year 36 per cent of Nationwide first-time buyers bought pre-1919 properties. The building society says this proportion is increasing. Mr. Leonard Williams, Nationwide's chief general manager, said the "present buyers' market offers good opportunities to the first-time buyer."

Hum retains its secret

RESEARCHERS CALLED in by Bristol city council to investigate the cause of a mysterious hum, which has affected the city for years, published their conclusions yesterday, after having used £30,000-worth of equipment in exhaustive tests.

They said they were baffled and could not track down the specific source. It probably came from industry, the motorway, or aircraft to the city's north, they said. The noise prevents some residents sleeping comfortably.

£604,000 grant

Norfolk County Council has received more than £604,000 in a special grant from the Government to pay for road repairs following the severe winter of 1978-79.

UK NEWS — LABOUR

ASLEF's backing for union 'peace'

By Philip Bassett, Labour Staff

THE TRAIN drivers' union ASLEF yesterday accepted proposals drawn up by the TUC to try to reduce friction between the two main rail unions which has exacerbated relations and worsened the effect of recent disputes.

The hopes of both British Rail and the TUC on the demarcation proposals being put into practice now rest on the annual conference of the National Union of Railwaymen next month.

Despite the personal advocacy of Mr. Sid Weighell, NUR general secretary, in favour of proposals similar to the TUC's initiative, some union officials were gloomy about the likelihood of the conference giving its agreement.

Instead it seems likely to re-affirm the NUR drive for one union for the industry and setting aside the TUC proposals, which follow on from the repeated intervention of Mr. Len Murray, TUC general secretary, in the inter-union wrangling which surrounded the four one-day ASLEF strikes in the winter of last year.

Delegates at the annual conference of the Associated Society of Locomotive Engineers and Firemen in Sheffield yesterday overwhelmingly approved the decision of the union's executive agreeing to the TUC proposals.

Under the terms of the TUC plan, the NUR would have to give up its recruitment of workers in line for promotion to the footplate grade.

Any staff in that position who were members of the NUR would be encouraged to join ASLEF, and new staff would be expected to do so.

In return, ASLEF would essentially give up its recruitment of London Transport staff up to the level of motorman, though new recruits would have the option of joining either of the two unions. The NUR would hold the sole negotiating and recruitment rights for all LT platform staff and railwaymen.

The proposals also seek to set up a joint railway union council comprised of the two unions and the white-collar Transport Salaried Staffs' Association, but acceptance of the agreement on the spheres of influence between the two unions is a pre-condition of the council being established.

Mr. Ray Buckton, ASLEF general secretary, said that if the proposals were agreed by all the parties involved they could give a very organised structure to the industry which it had not before enjoyed and which could be of benefit to all.

TUC talks with CBI to cover pay policy

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE TUC is to hold an extended series of talks with the CBI, which is likely to lead up to discussions on a broad range of issues, including pay.

The TUC's economic committee, which includes the most powerful union leaders, made it clear yesterday, however, that the employers' organisation would have to pay a price for bringing pay into future talks.

The CBI would have to be prepared to discuss issues such as unemployment, investment and import controls, and to give some recognition that Government policies are harming the financial position of many of its members.

The talks are likely to procede in three distinct phases. First, discussions will begin immediately on producing a TUC-CBI draft on new technology agreements, as a guideline to negotiators on both sides.

The economic committee has endorsed a draft from the TUC side, and has already received a CBI draft. It is hoped that a joint agreement can be put to the National Economic Development Council in July.

Secondly, both organisations will discuss the formation of joint working parties to develop a joint approach on imports, especially in the sectors of process plant, footwear, and construction and printing equipment.

Third, both sides will explore the possibility of talks on a broad range of macroeconomic issues, which are likely to include pay and productivity.

The talks wil lbe conducted on the TUC side by the so-called "Neddy Six," who include Mr. Len Murray, the TUC general secretary, Mr. Moss Evans, general secretary of the Transport and General Workers Union, and Mr. Terry Duffy, general secretary of the Amalgamated Union of Engineering Workers. The committee has given the six a comparatively free hand in their dealings with the CBI.

However, it was clear yesterday that the TUC saw the value of the talks as in part lying in their potential to expose the differences it believes exist bewteen the CBI and the Government on economic policy.

Sir Raymond Pennock, the CBI president, who issued the invitation to the TUC to talks at the NEDC meeting last month, had made it clear he wished to see talks on pay set in train before the next pay round. However, the TUC believes it unlikely that agreemen on the content of such discussions will be reached before the TUC congress in September.

The committee also reviewed progress in the TUC's campaign for social and economic advance, of which the Da yof Action on May 14 was part. It is to write to the unions and to the TUS's regional councils to ask for suggestions on future action, and will submit a report on the campaign to the congress.

Scargill announces policy for union presidency campaign

BY CHRISTIAN TYLER, LABOUR EDITOR

MR. ARTHUR SCARGILL, Yorkshire Area President of the National Union of Mineworkers, yesterday set out the platform on which he will be campaigning for the presidency of the union when Mr. Joe Gormley retires.

After several local meetings to canvass the votes of the 240,000 miners, Mr. Scargill yesterday won a standing ovation from the Annual Conference on the union's Scottish area. Earlier this week the Scottish area executive unanimously endorsed his candidature and Mr. Michael McGahey, area president, yesterday publicly backed Mr. Scargill.

In addition to a fresh assault for higher wages, Mr. Scargill called for opposition—including industrial action if necessary—to any pit closure except where reserves of coal are exhausted.

He demanded a campaign to stop imports of both coal and oil, with trade unionists taking action themselves if the Government refused to impose controls.

Mr. Scargill is also campaigning for a £10,000 a year salary for coal face workers and a 4-day week for all miners. This year's wage claim is likely to be for a £100 a week minimum rate for a surface worker.

Mr. Scargill claimed that the National Coal Board had already decided to close 50 pits and over the next few years to run the industry down by closing as many as 130 pits with the loss of 130,000 jobs. A 4-day week and an end to systematic overtime would create an extra 50,000 jobs.

Referring to his own campaign for the presidency which falls vacant in two years—unless Mr. Gormley decides after all ot retire early—Mr. Scargill said the office would not bring out the change in him that many had predicted.

"If the price of winning the presidency of the union is to compromise myself, to make myself more acceptable to the media or to accommodate the so-called moderate elements of British politics, I don't want the job," he said.

Action threat by Nalgo

BY NICK GARNETT, LABOUR STAFF

LOCAL authority white-collar staff yesterday strengthened their opposition to cuts in services and job losses.

The National and Local Government Officers' Association, the principal staff union, instructed its executive to promote and approve industrial action to resist cuts even when there is no direct threat to members' jobs.

This modifies the union's previous policy which sanctioned action only for the protection of jobs.

The decision, taken at the union's annual conference in Eastbourne, also involves the promotion of anti-cuts campaigns and support for councils which refuse to implement cuts. It was supported by the executive.

But the executive successfully opposed an attempt to introduce a more determined and specific programme of resistance.

The decision gives local groups of white-collar staff a wider mandate for action. They were, however, warned by the executive to make sure, through ballots, that there was support for what they wanted to do and a reasonable chance of success.

Some delegates were worried about the kind of official support they could expect.

Senior officials of the union are concerned that a more militant stance against cuts would fail to receive the support of the majority of members.

A motion seeking national industrial action was defeated. So too was a call for a specific programme of overtime bans, non-co-operation, strikes and occupations.

● Delegates rejected an attempt to reverse the union's traditional support for pay policy.

Strike hits Indian banks

BY OUR LABOUR STAFF

UK OFFICES of five Indian banks were hit by a strike from noon yesterday by bank clerks in a pay dispute.

The clerks, members of the Banking, Insurance and Finance Union, are pressing for a settlement in line with last month's 20 per cent award to 180,000 clerical workers in the English clearing banks.

The action was said by the union to be similar to that early last year when delays in negotiation led to a series of one-day strikes affecting the Bank of India.

Negotiators say delays are made worse because management has to refer back to headquarters in India for authority to reach a pay settlement.

The union said it had separate agreements with Bank of India, Central Bank of India, Bank of Baroda and State Bank of India, as well as two Pakistani banks.

IPC journalists vote for 2% lower claim

BY JOHN LLOYD, LABOUR CORRESPONDENT

PAY TALKS begin again at the International Publishing Corporation tomorrow, after the group's 1,400 journalists voted yesterday to submit a 26 per cent pay claim. This is 2 per cent lower than that on which talks broke down nearly two months ago.

The claim includes demands for reduction of the working week from 35 to 30 hours, increased maternity leave, sick pay, time off for trade union training, a closed shop for journalists and an improved disputes procedure.

IPC management's last offer was 18.5 per cent, said to be the most the company could afford. It said the National Union of Journalists' claim then, including a 28 pay increase, would be worth more than 40 per cent.

Talks last week between the union and management on back pay began at the Advisory, Conciliation and Arbitration Service.

This issue remains to be settled, although there was agreement on expenses for the six weeks when the journalists were formally dismissed. No further talks at ACAS are planned at present.

Keys attacks 'disastrous' policies

GOVERNMENT monetarist policies were destroying Britain's manufacturing base, Mr. Bill Keys, general secretary of the print union the Society of Graphical and Allied Trades, told the annual conference in Blackpool yesterday.

In its first 12 "disastrous" months, the Government had doubled inflation, increased unemployment, drastically reduced the standard of living, carried out a concerted attack on the trade union movement, increased the balance of payments deficit, and increased interest rates to a record level.

On the proposed £12 deduction from social security benefits to strikers, he said "The Tory Party are saying you are worse than criminals—even the families of criminals receive social security benefits.

"The trade union movement will not sit idly back and let this Government erode our status that has taken hundreds of years to build."

The conference passed unanimously a composite motion declaring total opposition to Government economic policies. It drew attention to the increasing use of injunctions to stop trade union action by the threat of financial damages against unions and individuals.

It called for repeal of anti-union laws, retirement at 60 for men and women, the 35-hour week to b ea priority in future negotiations, withdrawal from the EEC, renationalisation without compensation of companies sold to private enterprise, selective import controls, opposition to all public spending cuts, and the return of a Labour Government committed to socialist policies.

UK NEWS – PARLIAMENT and POLITICS

Extra mortgage tax relief rejected

By Ivor Owen

TAX RELIEF for interest paid on mortgages in excess of £25,000 is still only a distant prospect, in spite of the views expressed by Tory leaders before the general election.

This was made clear by Mr. John Biffen, Chief Secretary to the Treasury, yesterday, when he told the Commons standing committee considering the Finance Bill that the cost of tax relief to owner-occupiers this year would reach a record level—close to £2bn.

He rejected an amendment, sponsored by Mr. Peter Viggers (C., Gosport), and Mr. James Hill (C., Southampton, Test), to raise the limit on property loans ranking for mortgage interest relief to £50,000.

Mr. Biffen admitted that, on the basis of changes in house prices and the Retail Price Index since 1974, when the £25,000 limit was introduced, a new ceiling of at least £50,000 would be justified.

While reaffirming the Government's commitment to the continuance of mortgage interest relief, he stressed that the cost involved was causing concern.

He also suggested that the extent of Government assistance to owner-occupiers, was having the effect of diverting a substantial part of the limited resources available into housing, possibly at the expense of investment in industry.

Defending the Government's refusal to accept a £50,000 limit, Mr. Biffen emphasised that the average mortgage advanced—about £13,000—was well below the existing limit.

Those buyers who needed, or were able, to service a mortgage in excess of £25,000 were likely to have an income attracting tax at the higher rates, or which would have attracted such tax but for the cuts made by the Chancellor.

Mr. Hill described the Government's failure to increase the £25,000 limit as surprising and inexplicable in view of statements made by Sir Geoffrey Howe, the Chancellor of the Exchequer, and other Ministers

MPs pressed to limit pay rise

BY IVOR OWEN

MPS AND PEERS were urged last night to set an example by limiting the increase in their own salaries and fees by Lord Thorneycroft, the Conservative Party chairman, and one of the Prime Minister's closest advisers.

He stepped into the developing controversy over MPs' pay when, in defending the Government's economic policy in the House of Lords, he underlined the need to inject some "sense" into the next pay round.

Leadership was needed, he declared, and MPs already assured of a flat rate rise of £1,275 this week under an earlier staging deal—taking their salaries to £10,725 a year—were in a position to give it.

Lord Thorneycroft pointed out that MPs were also expecting an additional increase arising from a review conducted by Lord Boyle, chairman of the Top Salaries Review Board.

Urging that any additional increase recommended by Lord Boyle should be minimal, he declared, amid approving cheers. 'I hope the figure will be very low—certainly in single figures."

Peers, he suggested, should also exercise restraint in agreeing to any increase in their daily attendance fee.

"Leadership still counts in this country," Lor Thorneycroft insisted.

He was adamant that there was no question of a "turn" by the Government and, while rejecting an institutionalised incomes policy, acknowledged that the level of pay settlements over the coming months would be crucial.

"If we have an enormous round of wage increases that will not smash the policy of the Government, but it will make it very much more painful," he warned.

Lord Thorneycroft virtually called for the winding up of the Clegg Commission by rejecting the concept of pay comparability, and also called for a new approach to pay bargaining in the private sector.

"The CBI have much to look at to put their own house in order before they start talking to anybody else," he said.

In a vigorous defence of the Government, Lord Thorneycroft argued that the circumstances of its inheritance made it impossible for Ministers to aopt any alternative to the present policies base on strict control of the money supply.

To those who attacke the high level of interest rates an the strength of the poun, he sai: "It is like criticising the performance of the secon violin when you ought to be looking at the total performance of the orchestra."

Opening the debate, Lord Lever, the former Labour Cabinet Minister, contended that manifest evils and injuries

Lord Thorneycroft: leadership needed

would result from the Government's pursuit of high interest rates and an unsustainable and undesirable level of parity for the pound.

"These policies are resulting in grave economic injury which will have long lasting consequences," he said.

Lord Lever maintained that the Government's central error had been to focus on one problem and one remedy—inflation and monetarism.

No Government could commit itself to one problem and neglect all the others, including employment, export competitiveness and the industrial competitiveness of the nation.

Lord Lever, who admitted the reluctance with which he supported the Labour Government's adoption of monetary targets and high interest rates, claimed that the measures taken by the present Chancellor had produced "savage monetary overkill."

He described the present level of interest rates, well above those permitted by the Labour Government, as "extraordinary," and argued that they were an engine for inflation rather than a cuer for inflation.

Lord Lever said high interest rates wrecked prospects to the point of ruin for businesses, especially small businesses, and were a major contributor to the expansion of the Public Sector Borrowing Requirement.

Attacking the Government's refusal to intervene to reduce the strength of sterling, he contended that a number of successful market economy Governments had intervened to prevent their currencies going up too fast or going down too fast.

He cited Germany, Switzerland and Japan as examples of this.

Thatcher confirms 'no U-turns'

By Richard Evans, Lobby Editor

MRS. MARGARET THATCHER declared unequivocally yesterday that there would be no U-turns by the Government on economic strategy.

The Prime Minister told the Press Association annual lunch in London: "We have a goal in sight and we mean to achieve it.

"My colleagues and I will not be deflected. There can be no U-turns along this road, be very sure of that."

At one point in her speech, the Prime Minister warned that everyone involved in setting prices and in negotiating pay should understand that the Government would do "whatever is necessary" to ensure that monetary growth was reduced.

Following the disappointing money supply figures, this led to speculation at Westminster that further measures might be contemplated by Ministers, but any prospect of policy changes were immediately discounted.

Mrs. Thatcher said that, on the face of it, the latest banking figures looked disappointing, but they followed several months of very low figures and the important point was the underlying trend.

She insisted that interest rates could only come down when the Government was satisfied that its targets on money supply were being met.

"We will be able to reduce interest rates—and will do so—when we are confident that this will be consistent with a money supply staying on target."

The Prime Minister spoke of the great yearning of the people of Britain that the long economic slide should be stopped and that the country should start the long climb back to full prosperity.

"The people see no reason why Britain, with all her natural assets and talents, should be worse off than other countries. Neither do I."

She believed that the desire for change in the conduct of the country's economic life was matched by a will to achieve it.

"The Government's task is to nurture that will, so that it becomes a positive determination to make the changes necessary to create a healthier and wealthier society."

But individuals would only embark enthusiastically upon those changes if they understood what was involved and she called on Ministers, industrialists and on trade union leaders to spell out economic realities.

There was no magic cure for the country's ills, only the obvious traditional needs to produce goods and services of the right design, quality and price, punctually delivered and backed by adequate after-sales service.

"If we can do this we can pay our way in the world."

She emphasised that the Government had not embraced some weird and wonderful new doctrine but had returned to the basics of sound money and good housekeeping.

Callaghan 'pragmatic' on EEC membership

BY RICHARD EVANS, LOBBY EDITOR

MR. JAMES CALLAGHAN, leader of the Opposition, said last night that the issue of membership of the European Community was still a live one in British politics, in spite of the agreement on Britain's budget contribution.

He refused to comment during an extended interview on BBC radio on the call of Mr. John Silkin for Labour to commit itself to withdrawal.

But he accepted that the EEC had great disadvantages for Britain, especially as the promised changes in the Common Agricultural Policy had not taken place.

"I've always been a pragmatist about the European Community, never deeply wedded to it . . . I think it is an institution about which I feel very pragmatic," Mr. Callaghan declared.

His comments in an interview with Michael Charlton confirm that he is unlikely to play a very active role in blocking Left-wing attempts at the party conference in October to commit the Labour Party to withdrawal.

This will be left to Mrs. Shirley Williams, Dr. David Owen, Mr. William Rodgers and other pro-Marketeers.

The Opposition leader claimed his pragmatism was shared by the Prime Minister.

"I wouldn't put it beyond Mrs. Thatcher for one moment to take us out of the Common Market if she thought there was some advantage in doing so," he said.

It was therefore not a party issue, but one that spanned British politics. Mr. Callaghan added that he had always thought that the idea of closer unity between the European countries was valuable, and he thought an isolated withdrawal would upset the whole balance of Europe.

He wanted to see the Common Market used in order to get greater unity among the nations of Europe without being disadvantages to Britain or to any other member.

Mr. Callaghan re-emphasised the importance of gaining agreement with the trade unions on incomes policy which would span the whole five-year period of an incoming Labour Administration.

He refused absolutely to be drawn on the question of the Labour Party leadership and on his personal plans. He declared that it was for people to "come up to the starting gate" in November and to say whether they were going to run or not.

S. Africa wages row grows

BY ELINOR GOODMAN, LOBBY STAFF

MR. JOHN SMITH, the Shadow Trade Secretary, yesterday called on the Government to make an oral statement in the Commons about its decision not to publish the names of British companies paying wages below the Poverty Datum Line in South Africa.

The call was made in a letter to Mr. John Nott, the Trade Secretary.

Mr. Smith's letter is the latest stage in a campaign by Labour MPs to expose the companies paying poverty wages in South Africa.

In his letter, Mr. Smith claimed that since Mr. Nott had not made a full statement to the Commons, he should now do so to give MPs the opportunity to question him.

Mr. Smith claimed that Mr. Nott had given an incorrect impression of the last Labour Government's policy when he had suggested on television that the present Government's decision not to publish the names did not represent a change of policy from that of the previous Government.

Private sector 'would fund Channel bridge'

BY LYNTON McLAIN

A PROPOSED £3bn bridge over the English Channel would have to be financed entirely by private risk capital, MPs on the Select Committee on Transport, were told yesterday.

The bridge has been proposed in a study carried out by Linkintoeurope, a private company set up with £100 by Sir Ralph Freeman—who retired last year from the board of S. Freeman; Fox and Partners, consulting engineers, and two other directors.

Freeman, Fox and Partners is not a partner in the bridge company.

Linkintoeurope said in evidence to the committee it had established "beyond reasonable doubt" the bridge would be financially viable. The bridge could be built in six to seven years, and paid for out of revenues in 25 years.

The initial research and development work would cost £1.9m.

The company recognised that the UK and French Governments could not consider supporting any of the expenditure needed for the bridge. It also accepted that the Governments would not agree to the EEC taking any of the risks.

No financial guarantees of any kind were likely to be forthcoming and new financial organisations would be needed.

Sir Ralph told the committee that "none of the existing conventional financial organisations are appropriate to, or adequate for, funding the bridge project."

He envisaged a joint Anglo-French company being set up to operate the bridge.

Sir Ralph said that the proposed bridge would carry road only traffic and might complement a rail-only Channel tunnel proposed by British Rail and French Rail.

Both bridge and tunnel could be viable because they would attract different markets for cross-Channel traffic.

The bridge would have a span of two kms between road suspension towers.

MPs were told that the danger to shipping caused by the mid-Channel piers for the towers would be minimised by building extensive sand banks around each pier.

Licensing of exports to Iran 'too costly'

By Gareth Griffiths

THE GOVERNMENT regards the introduction of a licensing system for exports to Iran as bureaucratic, expensive and very disruptive and prefers the present "honour" system, Mr. Cecil Parkinson, Minister of State at the Department of Trade, said yesterday.

Mr. Parkinson told the Commons Select Committee on Foreign Affairs that exporters had taken the Government's trade sanctions seriously. His Department was receiving 100 telephone calls a day from exporters, asking what the position was.

The trade sanctions had already forced one British company to drop negotiations for a £1m order. Although there was still scope for trading through second party countries, British exporters who broke the sanctions, knowing their products were eventually destined for Iran, would be prosecuted.

'D Notice' system may be changed

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

CHANGES IN the voluntary rules covering Press and broadcasting disclosure of defence secrets may be on the way.

Sir Frank Cooper, Permanent Under Secretary of the Ministry of Defence, told a committee of MPs yesterday that it was time to review the controversial "D Notice" system, which advises editors and broadcasters on whether to publish sensitive defence information.

Sir Frank was answering questions at a session of the Commons Defence Committee, which is inquiring into the D Notice (for Defence) system.

The system, which has been in effect for many years, is a voluntary method of keeping editors, publishers and broadcasters informed of those categories of information which the Government believes ought to remain secret.

By means of a series of notices sent to the media by the Defence, Press and Broadcasting Committee (which controls the system), the sensitive items are defined, and editors and others are asked not to publish any information they may obtain about those topics.

Sir Frank, in a memorandum given to the MPs, made the point that a "D Notice" had no legal force. It could only be regarded as a letter of advice or request—the final decision on whether or not to publish sensitive information rested with the editor concerned.

Answering questions from MPs, Sir Frank said that it was the Ministry of Defence's view that the systme ought to be retained, although he admitted that there could be, and perhaps should be, changes to it.

He argued that it had worked well over the past decade, and had only rarely been abused, because most of the editors and others receiving D Notices had a sense of responsibility about national security.

"The system starts and stops with national security," he stressed.

But he admitted that the system had remained unaltered for the past 10 years, and it might well be that among topics presently covered by D Notices were several that were no longer significant in defence terms, and could be eliminated.

But there were still some areas—which he did not define in the public hearings—that were still sensitive, and needed to be covered by some form of guidance about publication.

He said that the Defence, Press and Broadcasting Committee (a body comprising both Ministry of Defence and media representatives) had felt for some time that changes needed to be made to the system. At the next meeting of that body such changes were likely to be considered.

Although there was no direct connection between the D Notice system and the Official Secrets Act, it was not likely that there would be any radical changes in D Notices until the Act had been revised.

Sir Frank suggested that one way to revise the D Notice system would be to have a "two tier" system, separating top-secret information from less sensitive matters.

But he was against any changes that laid down rules. "It is a voluntary system," he said. "It has not got the force of law. It leaves an editor absolutely free to decide within his normal constraints what he will, or will not, publish.

"It would be disastrous, if we tried to lay down rules. It is not, and never should be, any part of the system to inhibit proper discussion about matters of public interest."

The committee went into secret session to discuss aspects of the system which Sir Frank declined to discuss publicly.

Further meetings of the committee will be held this month, and it hopes to present a report to Parliament on the system, with recommendations for changes, before the end of July.

Call for footwear trade agreement

By James McDonald

WORLD FOOTWEAR exports are being channelled into fewer open markets — of which Britain is one — because 75 per cent of all shoe making capacity is effectively protected against imports, the Commons Select Committee on Industry and Trade was told yesterday.

The British Footwear Manufacturers' Federation, in evidence to the committee, said: "Even our traditional markets in Australia, Canada, New Zealand and South Africa — which have always been subject to much higher duties than our own — are now also subject to quota. The only markets of any significance now open are in West Europe and the U.S."

Moreover, even those markets "can hardly remain indefinitely the only open markets if their domestic industries are to survive."

The federation believes that it will soon be necessary to establish for world trade in footwear the same sort of arrangement that exists for clothing and textiles — the Multi Fibre Agreement (MFA).

"We do not consider an MFA for footwear to be desirable in principle, but we believe it to be the only practical multilateral approach to equalise the imbalance in trading terms, and we have urged the Government to support moves towards such an arrangement."

The strength of sterling was "probably the most serious threat to our industry at the moment. It is allowing us to be undercut on price on a massive scale by our main competition," said the federation.

Imports over the last 10 years have risen by 68 per cent in volume, displacing home manufactured goods in an almost static market. Last year British exports, hindered by rising barriers against imports in many markets, were worth only £113m, against imports of £352m — a deficit of £239m.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
4th qtr.	110.3	103.0	109	101.7	132.3	1,340	230
1979							
1st ptr.	110.1	102.6	98	100.7	134.0	1,351	234
2nd qtr.	114.8	107.1	107	106.2	144.8	1,299	256
3rd qtr.	112.8	103.0	99	99.5	144.6	1,269	247
4th qtr.	112.7	103.7	105	101.7	151.9	1,286	230
Nov.	114.1	105.3	112	102.5	153.2	1,282	234
Dec.	113.1	103.5	104	101.7	153.1	1,294	219
1980							
Jan.	111.4	101.8	87	103.1	155.5	1,339	207
Feb.	110.2	100.5	97	103.9	158.5	1,414	181
March	108.9	98.1		102.6	159.4	1,414	181
April				102.3	161.0	1,458	169

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	105.8	97.3	123.9	97.0	100.2	102.3	20.3
1979							
1st qtr.	105.9	99.2	127.1	98.8	98.4	100.0	12.9
2nd qtr.	108.6	103.0	133.0	102.7	110.1	102.9	21.3
3rd qtr.	105.6	96.2	132.2	94.9	103.8	100.2	21.0
4th qtr.	104.3	101.3	129.6	99.1	100.9	94.9	18.1
Nov.	106.0	103.0	132.0	101.0	103.0	97.0	19.4
Dec.	104.0	102.0	128.0	100.0	98.0	92.0	15.0
1980							
Jan.	106.0	101.0	126.0	100.0	65.0	94.0	13.2
Feb.	105.0	102.0	123.0	100.0	59.0	92.0	11.4
March	103.0	97.0	124.0	95.0	67.0	89.0	12.2
April							14.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−31.0	−229	160.4	21.69
3rd qtr.	129.8	128.1	−493	−238	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−674	−157	103.7	22.54
Nov.	131.8	125.8	− 75	− 51	+ 27	104.1	22.42
Dec.	131.3	131.2	−252	−229	+ 88	102.6	22.72
1980							
1st qtr.	131.5	126.7	−723	−573	−126	100.7	24.87
Jan.	129.9	128.3	−321	−271	− 74	100.9	23.71
Feb.	136.8	129.1	−226	−176	− 52	100.6	23.93
March	127.8	122.8	−176	−126	0.0	100.7	26.96
April	127.0	127.6	−264	−214	+ 44	102.0	28.01
May							28.28

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS. inflow	HP. lending	MLR %
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,409	933	1,879	14
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
1st qtr.	−2.3	9.6	25.4	+1,889	634		17
Jan.	−8.1	8.7	22.6	+ 777	235	668	17
Feb.	−6.4	10.0	20.7	+ 271	199	665	17
March	−2.3	9.6	25.4	− 709	200	641	17
April	−2.5	5.3	19.1	+ 671	268	676	17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* cmdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	286.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Dec.	165.1	187.5	183.4	139.4	239.9	295.18	69.7
1980							
1st qtr.		197.6	191.5	248.8	247.5	284.47	72.4
Jan.	163.0	193.5	188.5	245.3	244.8	308.69	71.4
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March	172.6	200.4	194.2	252.2	251.1	284.47	72.6
April		202.4	197.0	260.8	254.1	275.67	72.5
May		200.6	199.3			268.25	74.3

* Not seasonally adjusted.

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From £5,490.*

The surprising thing about the Renault 20 range is the price.

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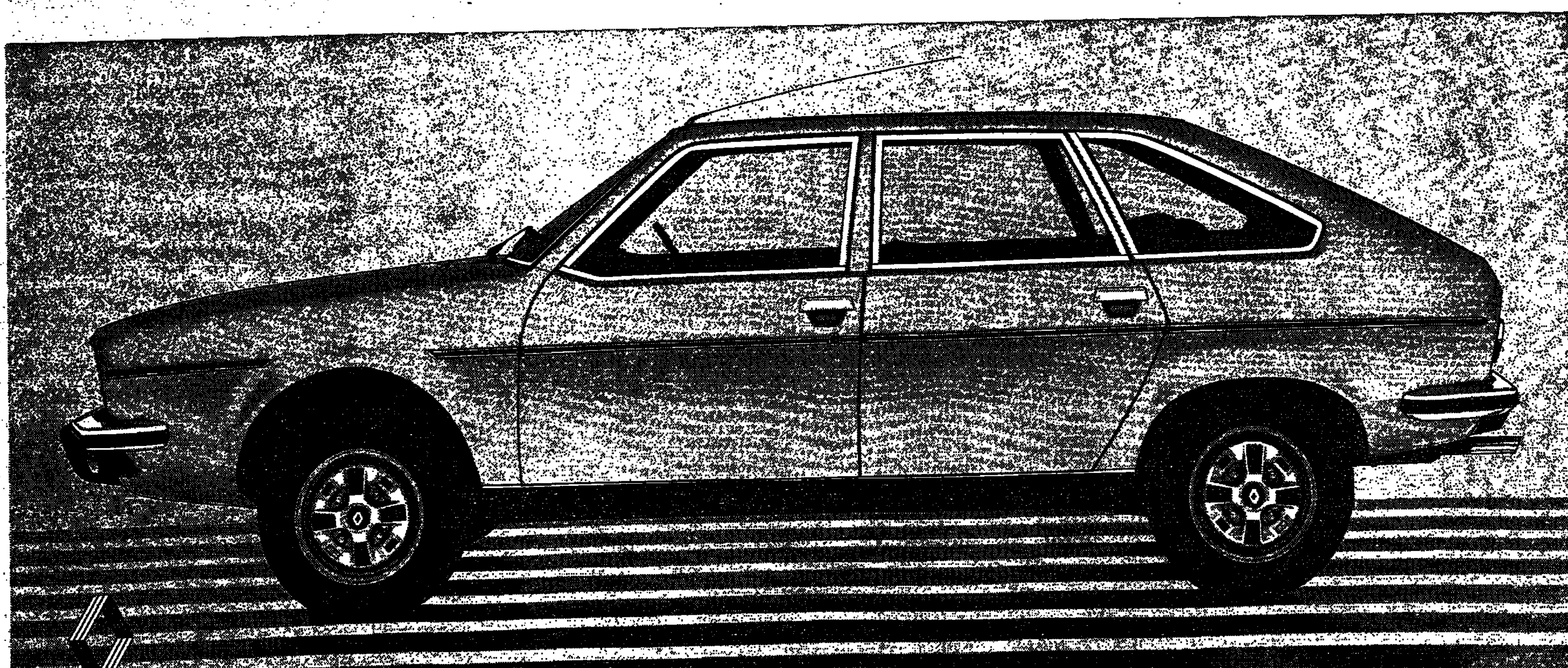
Within the range you will find such refinements as power-assisted steering, 5-speed gearbox, electric front windows and centralised door locking, depending which model you choose.

The only way to decide which one you want is to go and take a look round at your nearest Renault dealer.

The Renault 20TL is available from £5,490, the LS from £5,950 and the TS from £6,668.

RENAULT 20



The Renault 20 range of 3 models includes the 1650cc Renault 20 TL from £5,490, the Renault 20 LS from £5,950 and the Renault 20 TS (featured) from £6,668. Prices include 15% VAT, Car Tax and Seat Belts. Number Plates and Delivery extra.* (Prices correct at time of going to press.) For details of fleet sales, business and professional leasing or a brochure, write to Renault UK Ltd., PO Box 2, London W3. For export details write to Renault UK Ltd., Western Avenue, London W3. Ask any of our 460 dealers about low rate Renault Loan and Insurance Plans. West End Showroom 77 St. Martin's Lane, London WC2. Renault recommend elf lubricants.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SERVICES

Eliminates complex test rigs

TESTING all the complex equipment on board a modern long-distance jet transport, or an advanced military aircraft is a lengthy and exacting procedure which, because of the large amount of hydraulic equipment involved, can also be extremely noisy for the operatives working on the test routines.

In fact, in the case of aircraft like the Tornado, whose swing wings are also operated by hydraulics as well as the brakes and the flying controls, the pressures and flow rates required for the hydraulics are such that noise generated during testing has reached hazard levels, affecting staff efficiency.

Vickers Fluid Power some time ago put forward the idea of placing all essential test services into a kind of "ring main" linked with an insulated and sound-proofed building outside the test area containing the drives for the various types of services—electrical, pneumatic, hydraulic etc.

This concept was first tried out at British Aerospace, Warton, where big and heavy test rigs have been banished and their places taken by small mobile control consoles which plug into flush hydraulic outlets in the floor.

Two other centres have been given the same treatment and—although the idea is not patentable—the company has received inquiries from more than 20 countries, expects to win at least three contracts this year inside the UK and is hoping for a major contract for Rome Airport from Alitalia to equip the test centre for DC-10's and Tridents.

Also under discussion is the possibility of supplying similar facilities for the maintenance of 747's.

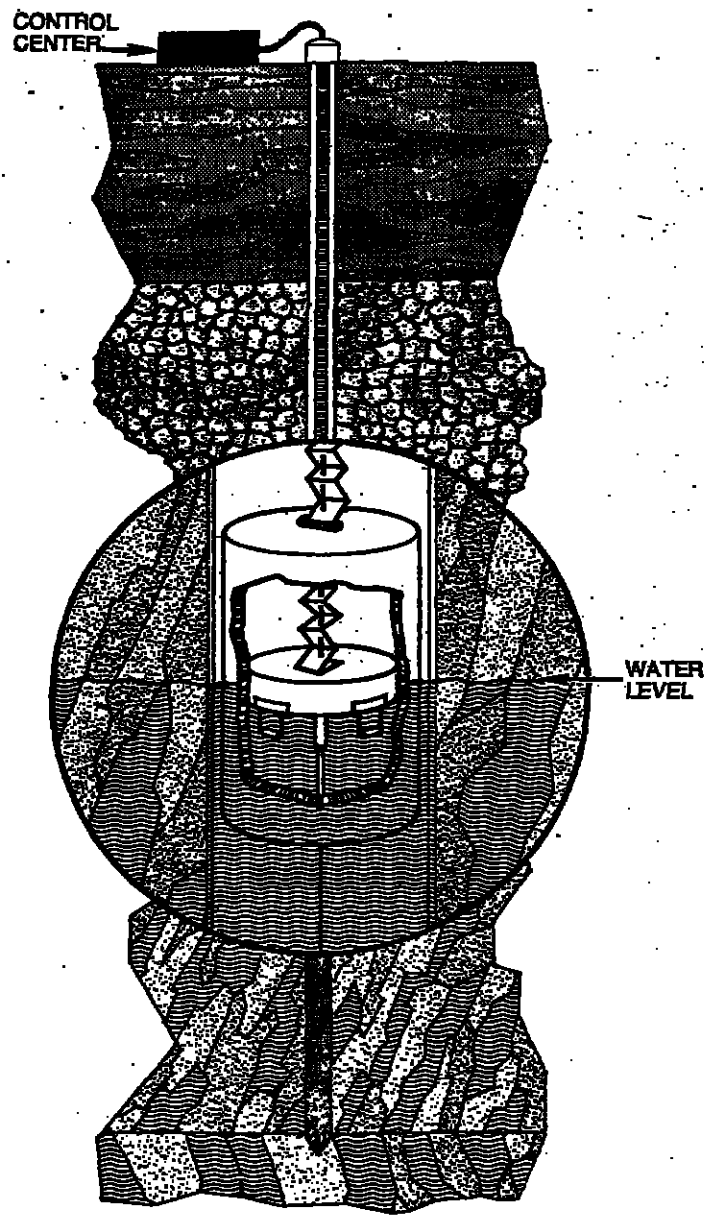
One aspect of the VFP approach to the problem is the incorporation of automatic de-aeration of the control systems, otherwise, full testing could take up to eight hours more.

To support this and other activities in its task of producing long life, high technology pumps and motors for critical applications—only 20 per cent of turnover comes from military work—VFP has since the beginning of the year switched production into a completely new purpose-built factory housing a great deal of expensive numerically controlled equipment.

Meanwhile, and in spite of generally depressed conditions, the company is finding continuing interest for its VSG series of pumps which it had expected to see displaced by more modern designs. But users do not want to switch to something they do not know, particularly for such jobs as steering a supertanker or operating the stabilisers on a fast vessel.

In the company's new Dynapad series, the new P125, giving these pumps ability to cope with pressures up to 345 bar at speeds of as much as 3,000 rpm, interested customers being the NCB and South Africa's Bureau of Mines.

Vickers, South Marston, Swindon SN3 4RA. 0793 823241.



Oils leaks or seepage into ground water from underground hydrocarbon storage tanks can be detected and reported immediately with a new form of electronic probe developed by the Mallory company within the U.S. Emhart Corporation. It relies on a concertina-like laminated conductor cable strung on a rod and attached to a float in a well shaft. The float supports sensors which detect the presence of oil by the difference in cooling rates compared with that of water in a continuous heating/cooling cycle. The monitoring point can be up to 1,000 feet away from the float and the equipment is designed to work automatically round the clock, providing an indication of hydrocarbon ingress in between 60 and 120 seconds. Emhart Corporation is at Farmington, Conn, 06032. United States.

● COMPUTING

Spreading its wings

STARTED AS an expansion of Grand Metropolitan Group's internal data processing organisation, the computer systems company started in 1978 is planning to spread its wings and has taken on salesmen, moved into some new premises and is taking on the design of systems for a variety of purposes.

Called Grand Metropolitan Systems this company conducts business worth about £2.8m annually and although the majority of it is for other GM companies at the moment, the ratio between inside and outside work is expected to approach 50:50 next year.

Projects that the company has undertaken internally range from an overseas agents reservation system for GM hotels to a depot network control system for Express Dairy Foods. However, a good deal of attention has been paid to hotel administration computers and the Mount Royal and some 10 other GM hotels are scheduled to have such systems in due course. A design for week-end break holiday reservation is in its later stages, and the company is also active in systems for mail order, financial control, retailing and hospital records.

● RESEARCH

Glass-making process

AN ANNOUNCEMENT has been made by the Westinghouse Research and Development Centre in Pittsburgh, Pennsylvania of the development of a method for making special glasses by chemical polymerisation at low temperatures.

According to the inventor, Dr B. E. Yoldas, the process, which eliminates melting or high temperature sintering, makes it practical to produce glasses from almost any element in the periodic table.

Immediate application for the technique is seen in high technology fields such as fibre optics, optical coatings, nuclear waste disposal, electronic ceramics and anti-reflective coatings for solar cell systems.

Dr. Yoldas believes that forming bulk glasses and ceramics below their melting, crystallisation of phase separation temperature is of great significance. He says: "The process allows not only the formation of very high purity and unusual glasses, but also opens new vistas in materials and science engineering."

● STORAGE

Grips and prevents slips

PLASTICS SACKS and goods wrapped in film are not always easy to stack as they are liable to slip and even when stacked are not always safe unless some means of keeping them in place is used. This is especially the case when goods are stored in icy or dusty conditions.

For coping with this problem is a material described as polythene friction film which is made in Finland by Oy Wick and Höglund AB. It was originally used in Finland to cover timber not only to make stacking a safer procedure but also enable workers to walk safely over the timber in icy conditions.

The material has a rough surface which at first glance looks rather like netting and it is available as shrink/stretch film for see-through packs and sacks and for wrapping meat which has to be put into cold storage. It is also available as interleaving for pallet loads and as "friction tape" with an adhesive on one side.

It would seem that the material would be of especial interest to frozen food manufacturers who have problems when handling frost covered packages. Cost is about 30 per cent more than ordinary polythene film, but it is claimed that this could be offset by the savings made through the elimination of paper or corrugated cardboard outers which are often discarded during various stages of transport, storage and distribution.

The material is now to become available in the UK through Marden Wolfe, Beacon House, South Road, Weybridge, Surrey (0932 54496). It will be offered in various colours and is thought to have applications in areas other than packaging or stacking. It could for instance be used to make mittens and overshoes for use by workers handling slippery products or operating on slippery floors.

● HANDLING

Big crane for port work

DESIGNED particularly for port operations to handle heavy loads, general piece goods, and bulk cargo using double rope grabs, is the largest port crane ever introduced by Jones Cranes of Letchworth, Herts. (046 26 2380).

This is designated the Jones 2200 HLB and will lift 36 tons at 26 feet radius and 15 tons at 65 ft 8 in radius, says the 600 Group, Wood Lane, London W12 (01-743 2070).

Its fully slewing superstructure is mounted on a purpose-built four axle drive chassis equipped with hydraulic outriggers and large area "elephants feet" jacking pads.

There is also a near vertical mast with a high jib pivot so positioned that it allows adequate clearance when working vessels with freeboard height up to 49 ft above quay level.

Crane is diesel-powered by a Perkins TV8 640 (optional alternative is a Dorman 8 FT) turbo-charged engine developing 188kW at 2,500 rpm with Clark 15 AKO torque converter coupled to rear of engine.

Hoist and derrick motions are by direct mechanical drive, while travel and slewing motions are hydraulically driven. The crane weighs 83 tonnes (with standard mast and 20 metre jib) and has a travelling speed of up to six km an hour on firm level ground, and will negotiate gradients up to 8.5 per cent (one-in-12). Turning radius is 9.4 metres on either lock.

Range of optional equipment includes additional jib sections (giving maximum operating length of 30 metres); auxiliary hoist unit for double rope grab operation; auxiliary hoist for synchronised twin rope lifting with main hoist and double rope grab operation; grabs; cab heaters or air conditioning.

Hoppers for fork lifts

SPECIALLY DESIGNED for use with fork lift trucks and able to handle almost any kind of material are five hoppers in a new range introduced by Langley Mechanical Handling, Victoria Works, Brandon Way, West Bromwich (021 525 1277).

Hoppers are said to include an improved tipping balance, have a blue finish, are made of 3/16 inch mild steel plate with strengthened edges, and are mounted on a heavy duty base frame.

Supplied with one or three way entry (with wheels if needed) they are offered in five sizes—capacities range from ½ cubic yard to 2 cubic yard and weigh from 370 lb to 900 lb.

● COMMUNICATIONS

Improved mobile radio

PHILIPS RESEARCH has revealed some of the work in progress at its Redhill laboratories aimed at making better use of the available radio spectrum for mobile radio communications — necessary developments if the growing shortage of spectrum due to increasing numbers of users is not to become a serious problem.

Areas of interest centre around a revival of the idea for single sideband (SSB) working in the UHF/VHF bands and the use of trunking, an approach akin to concentration in telephone working which allows users in effect to share the available channels.

Although SSB working is common enough at frequencies below 30 MHz, the rapid reflections that occur and the effect of moving the receiver at speed, coupled with lack of a constant strength component in SSB for automatic gain control purposes, make correction at VHF/UHF difficult.

Philips engineers have resurrected the "pilot signal" technique in which a low level carrier (one-tenth of peak speech power) allows the receiver to remove the fading effects.

The technique, which was originally used in HF SSB radio has proved effective with mobile VHF radio even when moving at speeds up to 70 mph. The presence of the pilot signal also allows greater mistuning tolerance.

As a result, Philips engineers have been able to produce equipment in which single sideband working allows channel widths of only 5 kHz instead of the now current 25 kHz or 12.5 kHz. Tests carried out in central London have shown a performance comparable with that of standard mobile radio units, with many more channels packed in.

Frequency sources used in the equipment are crystal based synthesisers designed in the form of an integrated circuit chip.

The laboratories are also looking at trunking systems in which all the channels are in use all the time and shared by all the users, ensuring maximum channel filling and allowing a greater number of users than would otherwise be the case.

Single sideband is on trial by the Home Office and is being compared with existing systems, using equipment made at Pye Telecommunications following research at Redhill. Philips emphasises however that the research does not necessarily imply a production follow-up.

● PROCESSING

Different colours by one gun

MAJOR CLEANING operation between colours is not necessary with a machine which allows the operator to spray a number of different colour gel coats from the same spray-gun, says C.T. (London), Walnut Tree House, Woodbridge Park, Guildford, Surrey (0483 502020).

Largest model offered can accommodate up to six large drums of gel coats, is 17 feet long and is suitable for either floor standing or wall mounting.

● INSTRUMENTS

Analysis of colour

GREAT EASE of use and operational flexibility are offered by the Photomarker PM800 colour analysis system put on the market by Englemann and Buckham Ancillaries, William Curtis House, Alton, Hants GU34 1HH (0420 82421).

The instrument makes use of a dual-channel fibre optic probe to transmit reflected light back to a scanning colour sensor system in the main electronic housing. The user has a physical operating range in excess of one metre.

Light in weight, the probe unit can be used to evaluate sample areas as small as 2 mm under any lighting or environmental conditions, without distortion of the colour measurement. The measurement is fully automatic and no special skills are needed either to operate the instrument or interpret the data. A high-speed microprocessor provides accurate data on a printer unit in five seconds.

Applications are expected in a wide range of industrial and commercial fields, ranging from cosmetics to plastics.

THE MARKETING SCENE

It is the quality that counts

BY PETER KRAUSHAR

AS WE move into another period of recession, more and more companies are interested in products which may not necessarily generate high volume, but which can command a relatively high price from the consumer and so a high margin for the manufacturer.

Considerable convenience, high product quality, distinctiveness, can all be the features in such added-value products.

An important factor in their favour is the increasing interest by the large grocery chains, which are also seeking to improve their margins and have more room in their new larger stores.

In recent research these key buyers were asked what they thought of specialist premium-priced products and they gave such answers as:

● Yes, there are opportunities for such products.

● We welcome specialist products and already stock a wide range.

● Yes, we are interested in premium-priced products, but have to *sell them in sufficient* volume to justify them.

● We are more likely to look kindly on small market products in the future . . . we are building bigger stores and want new areas to interest the housewife . . . Listerine is a good example . . . the aim is to get the housewife doing all her shopping in the store.

● We have been thinking for 18 months about launching our own gourmet lines, e.g. asparagus, duck a l'orange, scampi. We are aiming at top quality.

● The consumer is tired of the baked bean *syndrome* based merely on price.

● People's tastes are being upgraded and they have more money.

● Price *is not necessarily the* most important criterion, value for money is.

After 10 years and hundreds of pricing research projects, it is *clear that research can* identify the areas for premium pricing in relation to what the market may bear rather than to manufacturing costs. *An obvious example is paints.*

While people want to pay as little as possible for undercoat, there is scope for added value in gloss. Manufacturing costs are similar in both cases.

Brand leader

There *is* much evidence that, in the right markets, there can be development opportunities for high-priced products. For example, in car polishes Turtle Wax succeeded with a considerable price premium and, more recently, Loctite achieved an enormous premium over other adhesives.

In television sets, Sony and Hitachi have prospered, despite relatively high prices. Polaroid and Olympus have an important niche in cameras.

Mr. Kipling has become brand leader in packaged cakes, although its products have always been more expensive than other brands. Fresh *cream has gained ground at* the expense of other toppings because its quality has outweighed its price premium.

Yorkie did not seem to suffer when introduced at higher price than other chocolate bars. Marks and Spencer's food sector *remains buoyant, although* the foods are high quality and high priced.

Lager continues to increase its share of beer consumption, although more expensive.

Whiskas and Pedigree Chum dominate the canned catfood and dogfood markets respectively, although higher priced than most other products. Equally, Procter and Gamble's high-priced Fairy Liquid has kept brand leadership in washing-up products for years, while *Hellmann's mayonnaise has* gained ground at the expense of standard salad creams.

Surely the 1980s must be the decade when the British *consumer will be willing to* pay for quality in many cases.

It will be vital for manufacturers to recognise this and to assess in which markets and in *which ways the right level of* value for money can be achieved.

Peter Kraushar is chairman of KAE Group and Pricing Research.

BREWED FOR BULLDOGS, NOT FOR DACHSHUNDS.

This gently knocking poster, to appear soon in London, announces the arrival of that most rare of lagers—one without a Continental name. Lager sales have grown from 9.9 per cent of beer sales in 1971 to 29.1 per cent last year and *brewers have been flooding the market with new brands,* invariably produced in the UK but disguised with a Scandinavian or Teutonic image.

The lager boom has placed Youngs, the leading London independent brewery, in a difficult position. It has concen*trated on its traditional draught beer* which accounts for a massive 75 per cent of its pub turnover, much higher than any other large brewer. Its Saxon lager never *really* took off. *In most of its pubs it* was selling more Tuborg and Carlsberg than its own product. Now it aims to change that.

***John Young's London Lager* could not be more specific. It has been created in the past year, is stronger than the Saxon it replaces, and was off to a good start in winning the Allied Brewery Traders challenge cup for the best British-brewed lager at the recent Brewer's Exhibition at Birmingham.**

As its price should be no higher than Saxon, Young's hopes *it will take sales away from the competitive lagers it* stocks rather than from its own beers. Already it has received orders from 100 new accounts in the free trade—a most promising omen.

All change at Leo Burnett

IT IS all change at Leo Burnett, the UK's eighth or ninth largest advertising agency with billings this year of about £40m. Roger Edwards is leaving as managing director, to be replaced by Dennis Barham, the former vice-chairman and creative director. Mr. Barham also takes over as chairman—the American Bob Barcocci, who doubled as chairman and regional managing director for Europe, is relinquishing his responsibility.

Jeff Fergus and Richard Wheatley, the two new deputy managing directors, both move up from client service director.

Mr. Barham remains in charge of creative output, with two main supports in Colin *Campbell and Doug Buntrock.*

The moves are believed to reflect unrest at the agency's domination from its Chicago headquarters.

Mr. Edwards is considering a move to another agency.

To help the old on its way, Texas Instruments has given it a further £750,000 to advertise its corporate image and computer lines.

● This morning *Saatchi* and Saatchi announces its half-year *figures.* They will probably exceed market expectations with pre-tax profits above £1.4m against *£1.1m last year. Turnover for the first half should be* more than £40m against £34m in 1979. In the last six weeks there have been new business *gains of £6m—£2m for the* launch of Ital, the new car from Austin Morris; £2m from Berger; £1m for the corporate advertising of British Sugar, *and £1m from Campbell Soups.*

● In a major public relations merger Communications Strategy of London, run by Bruce Clark and Scott Verner, is getting together with one of the largest American independents, Booke and Company of New York. Between them they will have an annual fee income of £3.5m. The aim is to attract multinational companies which like to be serviced from one source.

● Sainsbury's has chosen Broadbents to launch a chain of DIY and garden stores in the UK. The retail group is combining with the Belgian *company GB-Inno-BM,* which operates such stores in Belgium. Twenty are planned for the UK, with the first opening within a year. The initial *advertising budget* will be about £500,000.

● The Media Business is to handle the advertising, including creative work, for Our *Price Records, the independent* record retail chain which recently acquired Harlequin records and has 57 outlets in the London area. Advertising *in the first year is expected* to top £1m.

● Next chairman of the Advertising Association, and to some extent the public voice of the advertising industry, is to be Ann Burdus, chairman of McCanns. She replaces Angus Ross of OBM, who retires in July after a five-year stint.

● One of the biggest new product launches in the £550m *biscuit market comes this month* from Associated Biscuits. Using its Huntley and Palmer house name, it is introducing eight new lines, refined from research *originally involving two dozen* products. The lines carry up-market packaging, but are aimed at the competitive price end of the trade, and are to be supported with £1.25m in TV advertising. The products have been positioned to gain new business—sales of £20m—rather than replace existing lines.

● Nabs, which this year is organised by Wasey Campbell-*Ewald and is to be held at* Olympia on June 26, has been subjected to research by the agency which discovered that many regard this advertising charity fund-raising occasion with cynicism and find it too disparate. *Wasey is selling it as* a "good night out" and trying to develop a unifying theme—horror. First prize is a world trip.

Paradox of advertising industry boom

IT IS a curious paradox, said Dr. John Treasure at this week's IPA Society luncheon, that while the rest of the economy is plunging into deeper depression, the advertising industry has been enjoying an unprecedented boom, writes Winston Fletcher.

Television spending in the first quarter of 1980 ran some 50 per cent above the same quarter of 1979—itself not at all a bad year. Most other *media, while not showing* quite such burgeoning vitality as TV, have been scoring healthy year-on-year gains.

Dr. Treasure, dean of business studies at the City University and previously chairman of J. Walter Thompson, suggested that the cause of this was last autumn's ITV strike. As a result, many companies started 1980 with money in their advertising purses and an urgent desire to see their brands back on the most effective advertising medium.

Might it not be, asked a questioner, that advertisers had learnt the lessons of the disastrous mid-1970s and *decided this time to carry on* advertising through the recession?

No, Dr. Treasure replied. On the contrary, the coming economic troubles will mean slashed ad budgets and excep*tionally nasty years ahead.* He forecast falling media revenues, lower agency profits, declining employment and bankruptcies.

Advertising will also have to grapple with the *retail* revolution. This began in the early 1960s but, Dr. Treasure said, it still has a good way to go.

The underlying economic pressures and efficiencies of scale which forced the stores into larger groupings have not played themselves out. The next decade will see manufacturers' power whittled away, *while a few mammoth retail* chains emerge as dominant customers, and dominant forces, in the consumer goods industries.

The 'money off' offer in decline

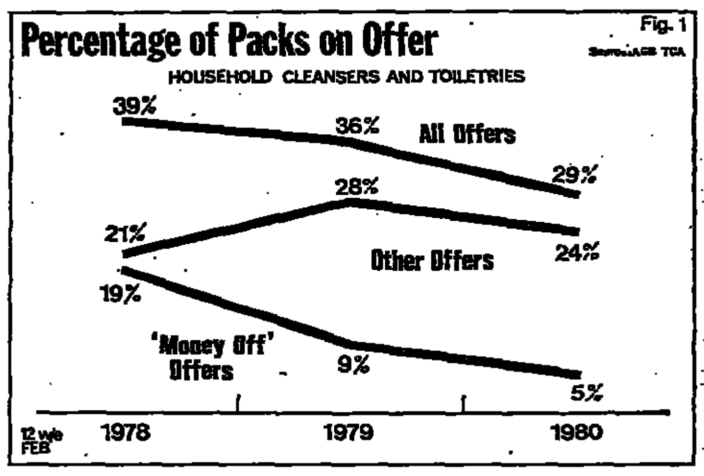
BY DR. STEPHAN BUCK

THE COMPLAINT among those in promotions that their form of *marketing does* not *receive* the serious attention given to media advertising will remain true until promotional activity can show the same level of basic *information that advertising* does.

The range of promotions is enormous, but a regular measure of its size and nature is a *complex* matter. In packaged groceries and household toiletries, however, regular monitoring is possible through information obtained from consumer panel research.

For many years, simple but useful data have been collected *relating to pack offers for some* 70 product sectors purchased regularly in the UK.

Fig. 1



The information shown in the *figures refers to the market* sector comprising household cleansers and toiletries, products valued at some £700m a year at consumer prices. Figure I *shows the trend in offer packs* over the three years 1978-80, illustrating the breakdown by "money off" offers compared with all other offers.

Between 1978 and 1979 there was a dramatic fall in money off offers, but to a large extent this was compensated by an increase in offer packs not involving money off. At the time, it was suspected that this may have been because 1979 included the lorry drivers' strike with its *associated* problems of poor distribution.

The data for 1980 show further decline in money off, but without a compensating rise in other offer packs. The percentage of packs with offer has *declined from 39 per cent in* 1978 to 29 per cent in 1980.

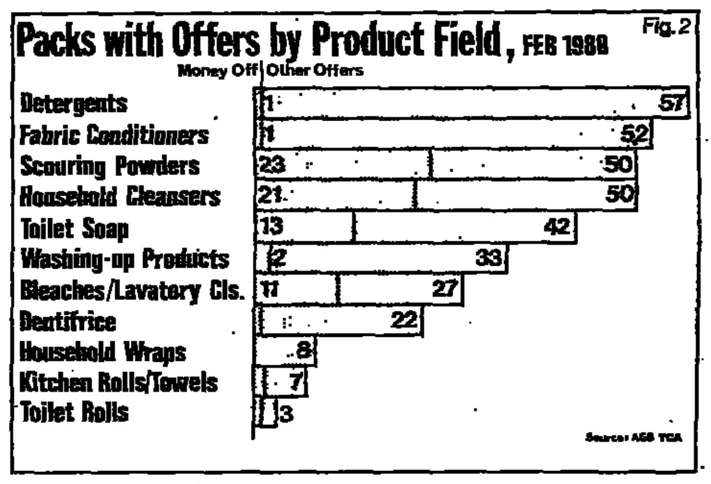
It might be expected that the new legislation on bargain offers introduced in mid-1979, *and the debate leading up to it,* would explain the significant decline. But detailed inspection does not provide any real reasons for the decline, although *the publicity aroused by the Act* may have had a psychological effect on manufacturers, biasing them against money off offers.

Perhaps a more likely explanation is inflation and retailers' growing power in their dealings with manufacturers.

The results in Figure 1 refer to the market sector containing 11 product sectors. A measure of the importance of offer packs for each of them is given in Figure 2 for the early part of 1980. It demonstrates the significant differences in total offer packs and those relating to money off.

Dr. Buck is group director of research, AGB.

Fig. 2



JOBS COLUMN; APPOINTMENTS

UK construction chief • Pair in Midlands

BY MICHAEL DIXON

IT WAS the great P. G. Wodehouse who pointed out that only the dull, unobservant race this side of the water could think of the Irish as speaking ordinary English punctuated with "Begorrahs" and "Begobs." Real Irishmen never do that, he added. They say: "An evening like this, I wish I was back in County Clare watching the cows in the tall grass."

As a result, no matter how routine a document from Ireland, I read its every dot and comma in hope of some pleasant surprise. I felt I was going to be disappointed as I read through the copy of the description by an Irish group's managing director of candidates suited to the job of chief executive of his United Kingdom construction subsidiary. But vigilance was rewarded. Although it was not a necessity, he wrote towards the end, if the candidates were Irish, it might help them "to understand the way we operate!!!"

But he followed his exclamation marks by showing that the job would not suit the Irishman quoted by P. G. Wodehouse. According to the candidate-description, wherever the new chief executive comes from, he or she will have to be content to be based in London, watching the cars in the full streets.

The post is being offered through recruitment consultant Ted Cornford of Peat, Marwick, Mitchell, who may not identify the group concerned. It is, however, a public company with a net asset value of more than £9m, profits of about £3m a year, and no net borrowings—and like the other headhunter to be mentioned today, Mr. Cornford guarantees to honour any applicant's request not to be named to the employer until specific permission is given later.

The subsidiary's construction work in the field is directly handled from two divisional offices within fairly close proximity of one another in Yorkshire. The first has 22 construction executives. The second, with a development manager, three architects and three estimators, is concerned not only with field construction but also with development activities. Development and a project-management company are also run from the London headquarters, where the incoming chief will be supported by a senior development manager, an engineer and a surveyor.

For whoever takes charge of these three divisions, the prime managerial responsibility will be to "unite them in one team." So candidates need demonstrable success in achieving that object, although not necessarily at chief-executive level.

There will, however, be at least equally important responsibilities as a business executive. The recruit will need to seek out and acquire industrial sites and, where necessary, work with the development manager in arranging the associated financing. Other duties will include supervision of the letting and so on in respect of speculative developments, and the obtaining of work for the company's design, construction, and project-management operations. Candidates should therefore have established contacts with leading estate agents in London, and with leading fund managers and those retained to advise them on investment.

There will be restrictions on the sums of money to which the group may be committed for site acquisitions and suchlike, but within those limitations the recruit will be allowed to exercise personal initiative. Responsibility will be to the group's marketing director or to the managing director himself.

It saddens me that, in specifying candidates for a post like this, the employer should follow the senseless and probably counter-productive fashion for setting an age range of 35 to 45. (What is it, Mr. Group Managing Director, that leads you so to restrict your prospects of getting the best person for the job???)

The salary indicator is £20,000-plus, and the perks include a car. The newcomer will be expected to earn a seat on the main board within two to three years.

Inquiries to Mr. Cornford at Fifth Floor, 1 Puddle Dock, Blackfriars, London EC4V 3PD; the telephone number is 01-236 8000, the telex 886658 PMM MC.

Manufacturing

CONSULTANT John Anderson is seeking a manufacturing director for the building-products subsidiary of a large public company. Headquartered in the Midlands, the subsidiary has 10 factories up and down the UK and employs roughly 1,000 people. Sales are expected to be about £30m this year.

Candidates for this post must have consummate experience of managing production in a continuous process industry. They need to be familiar with operations covering several locations, and involving a workforce of 500 or more. A record of success is required both in the handling of industrial relations and in achieving profitable increases in production and introducing new methods.

Numeracy is essential. An appropriate degree or equivalent certificate would be an advantage.

The age range is 30 to 50. The upper limit is probably explained by the intention to recruit someone capable not only of taming the subsidiary's manufacturing quickly, but of moving on to more senior responsibility on the engineering side of the group or becoming the subsidiary's managing director.

The salary indicator is £13,000 to £17,000, plus car and other benefits. Inquiries to Mr. Anderson at John Anderson and Associates, Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ; telephone 021-632 5758.

The same applies to inquiries for the job of managing director of a subsidiary company in the East Midlands. The company makes and sells boxes, cartons and inserts for packaged consumer goods such as pharmaceuticals and food, textile products and so on. With a turnover of about £1.5m at present, the company makes a small pretax profit. And if the recruit succeeded in cultivating rapid growth, the group would inject the extra capital to provide for a short-term doubling of turnover, with the aim of profits of about £200,000.

Candidates' experience should have included success in running a profitable, if smallish, printing operation, and if this also produced boxes of similar kinds, so much the better.

"Whilst man-management, industrial relations and the direction of production programmes making effective use of resources are vitally important," John Anderson says, "sales or marketing experience with responsibility for product mix and pricing decisions is crucial."

But, with due respect to Mr. Anderson and his client, there follow two conditions which seem to me to contradict the sense of what has gone before. The first is that, although the perks include a "quality" car, the pay package is quoted as "to £14,000." The second is that the age range is specified as "between 30 and 45."

If I am right to infer from this that the employer is hoping to attract some still high-flying paragon of general management to take on the undoubted risk of the job, then a £14,000 package would seem too low no matter how high the quality of the car. On the other hand, I have little doubt that there are a good number of people with the all-round experience and developed business sense required, who would be happy to accept the challenge at a starting level of £14,000.

They are to be found among the increasing ranks of capable managers being cut off in mid-competence by redundancy, and keen to "get back in" to show what they still can do. But, once more, most of them would be excluded by the conventional age bracket of 30-45.

So, like the group managing director of the Irish company, John Anderson and his client surely need to think again, and be less narrow-minded this time.

Finance and Administration Controller

c£14,000+car Oxfordshire

Our client, Kärcher (UK) Ltd., wishes to appoint a controller to manage its finance and administration. The company, which is German owned, sells and services Europe's leading range of high pressure cleaning equipment and systems to a variety of outlets in the UK, from its head office in Banbury.

The rapid growth of the company means that there is a need for efficient systems to enable management to make sound business decisions.

The successful candidate will be expected to:

* get involved in the day to day decision making
* contribute to business planning
* manage the accounts department.

This is an exciting opportunity for a qualified accountant, man or woman, who enjoys the pressure of a dynamic work environment. Candidates should have several years experience in commerce or industry which will have prepared them to undertake the responsibilities listed above. They should be familiar with the use of computers in a range of business applications. Ability to contribute to a company at a senior level, and to liaise with all disciplines, is essential. The preferred age range is 33-50, and a knowledge of German would be helpful, though not essential. The position will require limited travel both to Germany and in the UK.

Starting salary is negotiable around £14,000 and benefits include a company car, personal accident insurance, and four weeks holiday.

Please write or telephone for a job specification and application form quoting ref. 1289:

bhf

Anne Knell, Binder Hamlyn Fry & Co.,
Management Consultants,
227/228 Strand,
London WC2R 1BZ.
Tel: 01-353 5171

Chief Management Accountant

West of London
£10,000 and Car

The Safety and Protection Division of Wilkinson Match requires a qualified A.C.M.A., preferably a graduate or M.B.A., for their Graviner Fire Protection Operation, based at Colnbrook, Slough, Berkshire.

Turnover is over £12M, produced at Colnbrook and Havant. This is a key management appointment with responsibility for a department of 8 people. The job is *seen by top management as crucial to overall business success.*

Applicants, male or female, should be between 26 and 35, *with experience in engineering,* using well established reporting and control procedures, including standard costs.

Candidates should have previously managed an accounting department and developed financial systems.

The Company operates a Management Development Scheme and prospects for personal growth are excellent. There is an attractive package of benefits.

Please write for application form and job description, enclosing brief C.V. to: David Garrod, Personnel Director, Wilkinson Match Limited, 448, Basingstoke Road, Reading, Berkshire. RG2 0QD. Telephone: Reading 85301

Wilkinson Match

BROWN, SHIPLEY & CO. LIMITED
Merchant Bankers since 1810
require a

FUND MANAGER

Preferred age between 30 and 35 with at least five years experience of managing Funds with a Merchant Bank or Stockbroker or similar organisation, preferably in the private sector.

Experience of gilt edged/fixed interest markets essential as well as all round portfolio investment management.

Experience in overseas markets would be an asset.

Salary would be negotiable and includes other benefits associated with this type of position.

Please apply in writing to:
The Staff Manager,
Founders Court, Lothbury,
London, EC2R 7HE.

PRIVATE DIVERSIFIED HOLDING COMPANY

With international interests is to recruit additional member to current team of 4 to control existing *business, or assist in future* acquisitions. Strong commercial and entrepreneural sprit required and salary and terms to suit. Write Box A.7193, Financial Times, 10, Cannon Street, EC4P 4BY.

ORGANISATION OFFICER

MAJOR INTERNATIONAL BANK

Age 30-45 **c. £12,000**

Our Client, an established and expanding Bank of high repute, seeks to appoint a fully-experienced person to the above position.

The job *involves* the instigation and control of a new department responsible for the administrative organisation, premises, internal services and security of the Bank. The duties of the department will involve the documentation of current procedures and the updating thereof, advising on software design, and the organisational aspects of branch policies. A special section within this department *will be responsible for the day-to-day running of the Bank's premises, internal* services and security arrangements.

The successful Candidate will possess in-depth experience of the above work, gained from within International Banking, and will have the ability to lead and motivate staff.

Salary is *freely* negotiable, and fringe benefits befit the importance of the appointment.

Written applications should be forwarded, in the strictest of confidence, to Rod Jordan (General Manager)

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

Financial Director

A GERMAN SUBSIDIARY OF A MAJOR INTERNATIONAL CORPORATION seeks a Financial Director with extensive experience in

* cost accounting and controlling in a manufacturing industry
* *U.S. accounting conventions*
* budgeting reporting and strategic planning
* control of foreign subsidiaries
* receivables and inventory management

PLUS

* fluency in both German and English.

The company, exporting over 80% of its production and diversified into machine-building and manufacture of packaging materials, has embarked, on a major programme of new technology products. Located in a pleasant area of Germany with good communications, there is an attractive *German-level compensation package plus,* of course, full re-location expenses.

The position also offers long-term career development prospects within this international group.

Applications from men or women, giving career and personal details should be sent to *Position Number APF 384, Austin Knight* Ltd., 35 Peter Street, Manchester, M2 5GD.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter.

Austin Knight Advertising

AK MANCHESTER

Chief Accountant c. £10,000

Air Europe, the first British passenger airline to be established for 13 years now seeks to appoint a chief accountant to be based at head office in Reigate, Surrey. Reporting to the finance manager, the chief accountant's duties will embrace all aspects of the company's accounting including the development of a computerised, integrated accounting system.

Candidates should be qualified accountants, preferably chartered, aged between *27 and 33 and possess a high level of technical competence.*

Air Europe is an associate company of Intasun, the major UK tour operator. The airline is an expanding and profitable company and has recorded a pre-tax profit in excess of £1 million for its first financial period.

An excellent remuneration package is offered which includes a company car, together with considerable travel and holiday concessions.

Applicants should write in confidence giving brief personal details and an outline of their career *history to date to:—*

N. E. Primrose, Finance Manager,
Air Europe Limited,
Bancroft Road,
Reigate, Surrey RH2 7BQ.

air europe

Young Qualified Accountant

Central London **c.£9,000+Mortgage Subsidy**

Our client, Secretaries to several publicly quoted investment trusts and an agricultural investment group, needs to strengthen its accounting team by recruiting a young qualified accountant – either from the profession or with commercial experience.

As an assistant to the Chief Accountant, you will be responsible for the production of company reports and accounts, statistical information for publication in the financial press and all other aspects of corporate administration. These challenging tasks will not only provide *valuable accounting and* taxation experience but also a broad insight into city operations.

The prospects are excellent and remuneration package outstanding – with a non-contributory pension scheme and mortgage subsidy, it is worth up to £12,000.

Contact David Tod BSc. FCA on 01-405 3499 quoting reference DT/407/YAF

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

Chief Accountant

West London **c.£12,000+car**

A progressive retailing company, one of the market leaders in its sector and a subsidiary of a young expanding group, seeks a qualified Accountant aged late 20's/early 30's to be responsible to the Managing Director for all aspects of its accounting function.

The emphasis in this responsible and challenging position, *controlling a department of 25,* will be on preparation of management information, cash and budgetary control and performance review in an extremely fast moving and price sensitive business.

This is a shirt sleeves job and a strong personality and previous experience of computerised accounting in a retailing group are essential.

Contact David Tod, BSc, FCA on 01-405 3499 quoting reference DT/409/CAF

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

ema

INTERNAL AUDIT MANAGER

Essex **£10,000+car**

Responsible to the Board for the establishment and development of the audit function, the manager will concentrate on the introduction of adequate controls. There will be a number of special exercises, with the *emphasis on operational audit, and a strong input into the considerable* computer systems development currently under way. The position will provide a promotion route into line management.

Our client has a turnover of £60 million from the manufacture of business machines and office equipment. A subsidiary of a successful worldwide group, it is developing a product range which will increase its market share. Applicants (male or female) should be qualified accountants aged 27-33 from the profession or industry. Please telephone or write to Stephen Blaney B Comm FCA quoting reference I/1999.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Financial Control

A UK finance house, part of a major international bank, seeks to fill two new appointments necessitated by the development of its comprehensive range of services provided through a national network of branch offices. Turnover exceeds £100m. Location Thames Valley area. Both posts call for a chartered or certified accountant. The benefits package includes preferential mortgage facilities and a non-contributory pension. Please telephone (01-629 1844 *at any time*) or write – *in confidence* – *for further* information to P. Hook quoting the appropriate reference.

Financial Controller

aged 30 to 40, with senior experience in a commercial organisation, preferably a finance company, and a good knowledge of funding and computer discipline. Salary about £13,000, plus car. There are good prospects of advancement to Financial Director.
Ref: B.9527/A.

Internal Auditor

to introduce and establish an internal audit function. Candidates, aged 28 to 35, must have experience of internal audit in industry, commerce or a professional office. Salary about £9,000.
Ref: B.9527/B.

These appointments are open to men and women.

MSL

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France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

JAMES CAPEL & CO.

ECONOMIST

The expansion of our Economic Research Unit provides an outstanding opportunity for a young analyst to join a team covering the UK and overseas economies in a major stockbroking firm with a strong international bias.

Ideally candidates will have some experience in monetary and macro-economic analysis of economies, be familiar with egonometric and statistical techniques and be able to translate economic events into financial market trends.

The remuneration will reflect the importance we attach to this type of research.

If you think you might be interested, please ring or write in *confidence to:—*

Robin Wilson,
James Capel & Co., Winchester House,
100, Old Broad Street, London EC2N 1BQ
01-588 6010

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

SENIOR DEALER – MIDDLE EAST negotiable (high)

A prime American Bank with branches worldwide seeks a Chief Dealer. Applicants should preferably be aged 25/35 with at least five years' dealing experience. A sound background of Foreign Exchange Money Markets and Treasury functions is required. The secondment from the London branch will be for a period of between one and two years. An excellent benefits package will be provided consistent with normal Middle East conditions of employment.

contact ROY WEBB

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negotiable Tax Free salary

Our client, a prominent international banking group, wishes to meet with highly experienced bank operations executives in respect of a vacancy at one of its branches in the Gulf area. Candidates, ideally aged in their 30s, should have broad international banking experience including accounts, foreign exchange, documentary credits and office administration. This appointment, initially on a three-year contract basis, is likely to lead to further postings within the group.

contact BRIAN GOOCH

SENIOR FOREX DEALER £10–15,000 neg.

An International bank require a dealer with a minimum of three years' experience with a good name bank, who seeks progression. Primarily this is for US$ spot and forwards, but with a good knowledge of other aspects, such as deposits, trading etc.

contact BRIAN GOOCH

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

GROUP FINANCE DIRECTOR

c. £17,000

A substantial and diversified Group whose major interests are in a wide range of transport-related activities is seeking a Group Finance Director to head its financial operations most of which are in the United Kingdom. The post is based in Scotland.

This is a Board appointment reporting directly to the Chief Executive. The successful candidate is likely to have held senior financial posts which give the essential breadth of knowledge and experience of industry and commerce so as to be able to play a full part in the direction of policy in this established Group and in the control of its diversified subsidiaries.

The requirement is for a Chartered Accountant aged 40-50.

Write in confidence to
F. H. Scobie,
F. H. SCOBIE & ASSOCIATES, Management Consultants,
28-29 St. James's Square, London SW1.

Financial Accountant

Essex c. £9,000+Car

This is a first-class career opportunity for a young Financial Accountant, preferably ACA, with a minimum of 2 years' post qualification experience, to make the first moves towards major career development.

As part of the international Océ group, we are a leading force in the reprographics and drawing office supplies field. We are now looking for a man or woman, ideally around 30, to take responsibility for the financial accounting function at our Loughton head office and to participate in the development and implementation of new computer systems.

Aided by a team of three assistant accountants, the person appointed will manage a staff of some thirty people handling a range of accounting responsibilities. Applicants should have man-management skills and have had previous relevant experience within industry.

In addition to a salary negotiable around £9,000 per annum, a company car will be provided, together with excellent benefits and first-class prospects for further career development.

Applications should be addressed to Mr. R. Higginbotham, Personnel Manager, Ozalid (UK) Limited, Langston Road, Loughton, Essex. IG10 3TH. Tel: 01-508 5544 Ext. 479.

OZALID

Leaders in Reprographic Equipment & Materials

ACCOUNTANT

We are looking for a qualified Accountant who wishes to further his/her career in an established Merchant Bank in the City. Ideally candidates should have some commercial experience and are likely to be in their middle twenties. The position involves working closely with our Chief Accountant and assisting in the overall control of the Bank's accounting functions.

TRAINEE ANALYST

We are looking for an Analyst who wishes to further his/her career in th Investment Department of a Merchant Bank. The successful candidate will have had some experience in a UK institution or stockbroking firm and is likely to be in his/her twenties. The situation involves the research of UK equities and the up-keep of customary records. Some dealing experience would be helpful and ability to process information and evaluate Company annual reports is required.

Salary for the above positions will depend on qualifications and experience. Applications in strictest confidence should *be in own handwriting* and be sent with C.V. to:—

Mr. J. F. Morgan
LEOPOLD JOSEPH & SONS LIMITED
MERCHANT BANKERS
31-45 Gresham Street, London EC2V 7EA

Market Leadership, Growth & a Bright Future...

...a secure career base for qualified Accountants

Our client is a major autonomous division within a progressive engineering organisation that operates extremely successfully within the competitive automotive components and accessories retail marketplace.

Multiple outlets located nationwide generate a turnover in excess of £23m and ambitious growth plans to meet greater market demands are already well established.

The following two key appointments are now to be made at the company's head office which is located in pleasant rural surroundings on the outskirts of one of the major Midlands conurbations.

CHIEF ACCOUNTANT
c.£10,500 + Car

Reporting directly to the Financial Director, you will assume total responsibility for the Accounting function. This will involve you in the preparation and consolidation of Group and statutory accounts on both a monthly and annual basis, cash control and forecasting and the control of capital employed.

Mature and skilled in man-management, you will enjoy the day to day problems encountered in managing a busy and developing accounting function employing some 60 persons.

DEVELOPMENT ACCOUNTANT
c.£10,000 + Car

This post will appeal to a mature individual with a flair for systems development. Reporting to the Financial Director, you will be responsible for investigating existing accounting systems with a view to developing and implementing improved systems either of a manual or computerised nature in order to enhance the flow of management information demanded by the business growth. Strong relevant experience of computer systems in a progressive accounting environment is essential.

To satisfy the demanding nature of both these posts it is unlikely that you will be under 30 years of age. Male or female, a qualified accountant — ACA or ACMA it would be a distinct advantage if you have already been exposed to a multiple retail/distribution environment.

Apart from the salaries which will be negotiable as indicated, a company car will be provided and there are excellent fringe benefits.

Assistance with relocation expenses will be given where appropriate.

Ref: B9687/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

6 Highfield Road, Edgbaston, Birmingham B15 3DJ Telephone: 021-454-5791 Telex: 337239

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FINANCIAL SECRETARY

National, London-based, charity seeks Financial Secretary to control expenditure approaching £2m p.a., liaise with financial advisers and supervise day-to-day departmental work, answerable to General Secretary. Accountancy qualification desirable and previous financial experience essential. Candidates should be aged between 45-55. Starting salary up to £10,000 p.a. plus non-contributory pension. Applications with c.v. to Box A.7197, *Financial Times, 10, Cannon* Street, EC4P 4BY.

HENDERSON ADMINISTRATION LIMITED

require a book-keeper with investment ledger and foreign currency experience to maintain investment trust accounts on computer based systems. Salary is dependent upon age and experience with bonus incentive scheme and other excellent benefits.

Contact
J. E. BROWN 01-588 3622

FINANCIAL ANALYST

Management accounting London

Burmah Oil Tankers Limited, part of the Burmah Group, operate a crude oil tanker fleet and a major crude oil trans-shipment terminal in the Bahamas.

We require a Financial Analyst in our Knightsbridge offices to assist the Manager, *Management Accounting*, in developing and operating a comprehensive programme of financial analysis, evaluation, budgeting and reporting for management.

In addition to the regular analysis of operating results, you will quite possibly undertake a range of tasks from providing support for any audit and investigation effort on ship management and other service or supply contracts, to assisting in evaluating the financial effect of alternative strategic plans and investment proposals on profits, assets and funding objectives.

You are likely to be a graduate, at present studying for a professional accountancy qualification, with experience in financial accounting preferably gained within a finance function of a major company. In order to be able to persuade and influence others in this important post, a high degree of numeracy, and excellent communications and human relation skills are essential prerequisites.

Salary is negotiable depending on experience and level of qualifications. Terms and conditions are attractive and include non-contributory pension, luncheon vouchers and interest-free season-ticket loan scheme.

Interviews will be held in London.

Please send a full CV or ring or write for an application form to the Recruitment Section, Personnel Department, Burmah House, Pipers Way, Swindon, Wilts SN3 1RE. Tel: 0793 47400.

Burmah

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around £10,500

Have you...

- experience of credit granting and control mainly in the personal sector but also with some corporate clients
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- high intellectual capability combined with leadership qualities
- and are you in your early 30's?

Then consider...

- a new appointment in a UK £multi-million operation
- responsible to the Credit Controller for more than 100 staff
- covering all credit functions including new applications and security and fraud prevention
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- and based near London.

Please contact Joan de Smith on 01-487 4371 (24 hour live service) for a preliminary confidential discussion, quoting reference 1791, or write to Joan de Smith & Partners Ltd, 41 Gloucester Place, London W1.

FINANCIAL ANALYST

EUROPEAN OPERATIONS

A.B. Dick Company, a subsidiary of the General Electric Company, is a major international manufacturer and distributor of copying, duplicating, word and record-processing equipment. Increasing activity within the European operating companies has established the need for a Financial Analyst to be based at the European Headquarters in Brentford, Middlesex. Primary responsibility will be to assist the European Controller in financial control of the Company's European subsidiaries, in the development and implementation of accounting procedures, establishing capital and operating budgets and in the evaluation of operating results.

Candidates, who should be professionally qualified and have a minimum of two years commercial or industrial experience, are likely to be aged 28-35. The position will require European travel and foreign language ability is desirable as it is envisaged that success in this post will result in promotion to a senior financial function in one of the Company's European subsidiaries.

Salary is negotiable and will be commensurate with the experience and responsibility of this position.

Please apply in writing, giving full personal and career particulars, including salary history, to:

The European Controller
A.B. Dick SA
88-97 High Street
Brentford
Middlesex TW8 8ED

ABDICK

WHAT EVERY WOMAN WANTS

ACCOUNTANT

Rapidly expanding retail store group require a young (27-32 years) Chartered/Certified Accountant to work alongside the Financial Controller.

Applicants should, if possible, have experience in the retail trade and not object to hard work or long hours. Long term prospects are excellent. Remuneration, by negotiation, will present no problems for the right applicant.

Apply in writing in the first instance to:-

The Managing Director
What Every Woman Wants
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GLASGOW.

ap Senior Appointments

COMPANY ACCOUNTANT

West London £10,000/benefits

Our client, the small but rapidly expanding manufacturing division of an international group, offer a unique career opportunity to a young Chartered Accountant possibly with some exposure in industry.

Responsibilities will include financial accounting, budget review, forecasting and provision of essential management information and other ad hoc projects. Reporting to the Financial Director, prospects are genuinely unlimited in this young company.

Apply in confidence to Mark Lockett or Ian Crichton, Ref. B1133.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB - 01-588 5105

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Senior E.D.P. Auditor

North West, salary negotiable+car

Timely, comprehensive and objective appraisals of the adequacy and application of computer systems are of paramount importance to major industrial organisations. This client is one such company servicing a broad range of worldwide markets with high technology solutions to productivity, energy conservation and pollution control problems. The Manchester headquarters of their U.K. and European operations require a qualified E.D.P. auditor. The ideal candidate will have an E.D.P. auditing background coupled with programmer/analyst experience on large scale financial systems using COBOL and JCL in IBM370 OS/MVS or OS/VSI on-line remote terminal environment. Some experience with and knowledge of CICS and small distributed computer systems would be desirable. Some travel to European locations will be required. Having obtained an overview of the organisation, line positions are a distinct future possibility.

T. Collins, Ref: 13060/FT. Male or female candidates should telephone in confidence for a Personal History Form to:
Leeds: 0532-448661, *Minerva House, East Parade, LS1 5RX.*

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Management and Executive Recruitment Consultants

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We have been retained by ISER, Hospital Design Executive (N.I.) to assist in the recruitment of an Architect to assume immediate responsibility for the administration of a large multi-million pound hospital contract in Belfast.

The successful candidate will:

- be a Member of The Royal Institute of British Architects.
- be able to demonstrate previous responsibility for large projects.
- be able to show qualities of maturity, good management and technical ability.

Initially a three year fixed term contract will be offered; terms and conditions will be commensurate with the seniority of this appointment and should not represent a limiting factor to the selected candidate.

For initial confidential discussion, please telephone David Franklin on 0232 43352.

No details will be released to our clients without prior written approval.

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Telephone 0232 43352

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

YOUNG BANKERS – INTERNATIONAL AUDIT £8-10,000

An outstanding career opportunity in a modern and progressive audit environment with scope for the following:— European travel; the chance to use initiative and ability in an investigative role; involvement in every area of international banking; a fast promotion route.

Ideally candidates will be aged between 22–30, preferably graduates, with experience in at least one of the major areas of international banking. Salaries are excellent; normal banking benefits apply; there are also generous travel allowances. *contact KEVIN BYRNE*

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

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Marketing Director

of this quoted U.K. company producing raw materials in several European countries, principally for the ceramic industry world-wide, requires assistant.

Should interest ambitious, qualified person (preference for ceramic or scientific background) with aptitude for languages, business orientation and will to work.

A successful candidate with commercial flair has excellent prospects.

Apply with C.V. to: T. P. V. ROBERTSON,
WATTS, BLAKE, BEARNE & CO. LTD., NEWTON ABBOT, DEVON TQ12 4PS

INTERNATIONAL FINANCE — GERMANY

In view of our growing activities in the fields of project finance and loan syndication in Asia we looking for two international bankers to join our international finance department.

1. Loan Negotiation/Business Development

The ideal candidate is likely to be a graduate who has already gained practical experience in the fields of syndicated loans and export credits. He should be able to market the department's services in Germany and other European countries, and generally deal with clients. He will be familiar with a wide range of loan documentation and should have the experience and personality to arrange project financings as a member of a close-knit team. Willingness to travel is important.

2. Credit Analysis/Project Appraisal

This position encompasses the evaluation, presentation and processing of project finance propositions. Candidates should also be experienced in loan administration.

The posts are based in the Bank's head office in Hamburg. While English is the working language of the Bank, knowledge of German would be useful. The offered compensation packages will be attractive and will include fringe benefits, social security and pension plan. Removal expenses will be met.

Qualified applicants are invited to apply, in strictest confidence, by sending a full curriculum vitae to: Chief Personnel Manager, European Asian Bank, Rathausstrasse 7, 2000 Hamburg 1, Germany

European Asian Bank

HAMBURG · BANGKOK · BOMBAY* · COLOMBO* · HONGKONG · JAKARTA · KARACHI · KUALA LUMPUR · MANILA · SEOUL · SINGAPORE · TAIPEI*
*branches to be opened during 1980.

Financial Controller (South West)

c.£13,000 plus car

An excellent point of entry into this large British Engineering Group, for an Industrial Accountant who feels at home in an industrial environment.

You will be directing the Management and Financial accounting operations which are fully computerised for a 10,000 employee enterprise with headquarters in the South West of England. You should have good post-qualifying experience in industrial accountancy which includes several years in engineering. You need to show the skill and personality to lead staff and to co-operate with senior members of management in all locations, plus the ability to work on your own initiative. Age 35-45, with recognised accounting qualification. Usual large company fringe benefits and 2 litre car together with executive status.

Please write in confidence with details of qualifications and experience, quoting reference 1574/LH/FT to:

Robert Lee International
Management Consultants Limited
24 BERKELEY SQUARE, LONDON W1X 6AR

For information on rates, sizes and space availability
Contact: John Wisbey
Financial Times
10 Cannon Street, EC4P 4BY
01-248 8161

Business Economists

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PA International is one of the world's largest management consultancy groups, undertaking assignments for commercial, industrial and public sector clients in nearly every industrialised nation and much of the developing world. As such, we can offer economists the chance to apply their problem-solving skills across a wide variety of business situations, often as members of a multi-disciplinary team. The Economics Group is part of PA's General Management Division which undertakes the bulk of PA's strategic consultancy. We now wish to appoint two additional economists — men or women who can demonstrate not only technical competence but also a high level of mental agility. The more senior appointment, which carries a salary up to £14,000, is for someone (probably aged 28-32) with at least 7 years' experience of more than one business environment, preferably including involvement in corporate planning in the private sector. The other appointment is for someone aged 26-28, with at least 3 years' experience. Successful applicants will have a first degree in economics plus a post-graduate qualification — an MBA or similar. Significant expertise in quantitative techniques is also a requirement, principally econometrics and financial modelling. Although London-based, both positions will involve travel in the UK and occasional assignments overseas, principally in Europe. Progress will depend on performance and there are excellent opportunities for personal development both within the Economics Group and in the broader fields of strategic consultancy. *Applications in confidence with detailed CV to: The Personnel Manager, quoting ref: RFP/1.*

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C. London — to £10,000

Our client is the Headquarters of one of the world's most successful multinational organisations.

As part of their management development plan for the eighties they now require a young graduate chartered accountant to make an active contribution to the finance function.

In addition to gaining experience of the regular operations of the department, including close involvement in dollar and sterling reporting, you will apply your accounting expertise to the statutory requirement problems currently facing all multinational groups e.g. inflation accounting, currency translation etc.

Ideally you are a numerate graduate and have just qualified as a chartered accountant. Although your qualification and a good professional background are essential, more important still are the personal qualities you will need to succeed. Energy, self motivation ambition and flair should be combined with real management potential and a genuine desire for total involvement. Please telephone or write quoting Ref: RG 3675.

Lloyd Chapman Associates

123, New Bond Street, London W1Y 0HR 01-499 7761

FINANCIAL CONTROLLER

City — £14,000 c

Our client, a leading international Marine Underwriter, is seeking a Financial Controller. The Company based in the City of London, is expanding rapidly and currently employs 100 staff with an accounts department of 20.

Reporting to the Board, the Financial Controller will be responsible for the entire computer-based accounting and management information function of an organisation with a substantial multi-currency income and investment portfolio.

The successful candidate will already have proven commercial and managerial ability, will be aged around 35 and have excellent professional qualifications. Some currency, multi-national and computer experience will be an advantage.

This is a career position with excellent prospects and usual benefits. Some overseas travel may be required.

Write in confidence giving brief details of current position, salary and past experience to:

Michael Ross
Finnie Ross Allfields, Chartered Accountants,
Lee House, London Wall, London EC2Y 5AX

CHASE

Our Frankfurt Regional Audit Office has a vacancy for an:

Auditor

The office is responsible for monitoring the bank's operations in Germany, Italy, Greece, Austria, Luxembourg and other European countries.

Job-related travel will be considerable. Candidates must be fluent in English with a knowledge of German and/or Italian and desire to gain experience in international banking.

Prior audit experience should have been obtained either with a bank or a firm of public accountants.

The successful candidate can expect an attractive salary and advancement opportunities.

Applications with detailed curriculum vitae will be treated in the strictest confidence and should be sent to:

Chase Manhattan Bank N.A.
Personnel Department
Taunusanlage 11,
6000 Frankfurt/Main 1

Midland Bank Group Newspaper

Senior Assistant Editor

The Midland Bank Group Newspaper, based in Sheffield, requires a Senior Assistant Editor.

The successful applicant will have well-proven editorial skills, especially reporting and sub-editing, preferably gained in daily journalism.

The job entails travel and the ability to mix at all levels.

Starting remuneration will be not less than £10,492 together with the usual fringe benefits associated with a major world banking group, including profit sharing.

Applications enclosing a full curriculum vitae should be addressed to:

N. V. Childs, Esq.,
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Midland Bank Limited,
Courtwood House,
Silver Street Head,
Sheffield,
S1 3RD.

Midland Bank

Dividend Reconciliation Supervisor £7-8,000

A reorganisation within our Settlement department has given rise to the vacancy in the Systems Accounting section.

The successful candidate will lead a small team in the solving of the benefit queries raised within the Settlement Centre or by Member Firms.

This requires Liaison with Member Firms and Registrars and the constant review of the system benefit claims between participants of the TALISMAN Service.

Candidates should have an up-to-date involvement in the resolution of benefit entitlements and experience of a computerised environment.

Benefits include a non-contributory pension scheme, fully paid season ticket, luncheon scheme and flextime.

Please phone for an application form or write with full details to: Mary Thom, Senior Personnel Officer, The Stock Exchange, Old Broad Street, London EC2. Tel: 01-588 2355 Ext. 8058.

The Stock Exchange

INSTITUTIONAL EQUITY DEPARTMENT

Montagu, Loebl, Stanley and Co., specialists in the Energy, Financial, Retail and Overseas Trading sectors of the UK market and in South East Asia, seek an experienced equity sales executive as part of the expansion of their Institutional Equity Department.

The successful applicant will be keen to promote these specialist sectors, will have built up good relationships with a number of institutions and will enjoy working as a member of a team.

Attractive terms offered, negotiable according to attributes and connections.

Please reply in confidence to:

Colin Priestman
MONTAGU, LOEBL, STANLEY & CO.
31 Sun Street, London, EC2M 2QP
or ring 01-377 9242

Manager: operational audit

City, £15,000 + car

C&L

For a major quoted group engaged in international broking, trading and manufacturing.

This new appointment reports to the Group Financial Director and carries responsibility for the establishment of an operational audit function in the UK subsidiaries.

The need is for a qualified accountant, male or female, who has experience at manager level in an international firm of accountants, or in the internal audit department of a large industrial or commercial group. Some overseas travel may be involved.

Résumés including a daytime telephone number to E H Simpson, Executive Selection Division, Ref. S665.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

EUROPE MANUFACTURING ANALYSIS

Brussels — Accountant/M.B.A. — c.£18,000

Our client is the European Headquarters of an American Group involved in manufacturing and marketing a range of medical care products and with plans to double its European turnover to around $½ billion over the next three years. This growth requires a further Analyst to review and improve cost and management reporting systems, analyse manufacturing operations and conduct projects to improve manufacturing and product performance throughout the region.

Candidates should be qualified accountants and/or M.B.A.'s, aged in their late 20's or early 30's with a minimum of five years' relevant experience of analysis and systems development. They must also have a strong personal presence and the potential to progress within this demanding organisation.

For further information and a personal history form, please contact Ian Tomisson, 410 Strand, London WC2R 0NS, tel: 01-836 9501, quoting ref. 2894.

DOUGLAS LLAMBIAS

Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

DLA

N. M. Rothschild & Sons Limited

Euro-currency Dealer

We have a vacancy for a Euro-Currency Dealer. The successful applicant will have had at least three years' previous experience in currency dealing.

An attractive salary with a comprehensive range of related benefits will be offered to the right candidate.

Please write with full details of career to date to:

**Personnel Director,
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EUROBOND SETTLEMENTS

City subsidiary of leading Continental Investment Bank requires experienced person seeking an opportunity to work with a small specialists' team as manager of its Eurobonds and international securities settlements department. Highly competitive salary commensurate with experience.

Write Box A7201, Financial Times, 10 Cannon Street, EC4P 4BY.

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We have a vacancy for a Euro-Currency Dealer. The successful applicant will have had at least three years' previous experience in currency dealing.
An attractive salary with a comprehensive range of related benefits will be offered to the right candidate.
Please write with full details of career to date to:
Personnel Director,
N.M. Rothschild & Sons Limited
New Court,
St. Swithin's Lane,
London EC4P 4DU.

Major Merchant Bank

SECURITIES CLERK

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LOMBARD

Unadventurous, Mr. Lawson

BY ANTHONY HARRIS

MR. NIGEL LAWSON, in a stonewalling performance in the debate on the Finance Bill, announced that he remained to be convinced of the case for a special tax on bank profits. He has thus forged a powerful new ideological weapon, to be stored in the same rack as Collingwood's Doctrine of Unripe Time. Remaining to be Convinced is indeed an even better catch-all when it comes to explaining inaction. However, it can also be construed as an invitation of a sort; so here goes.

Bizarre

The point is that this Government proclaims its belief in incentives; and from the point of view of incentives, the recent large rise in bank profits is not necessary, as the Bank of England has argued in its role as Old Mother Hen of Threadneedle Street. It is not even *adventitious, as Mr. Lawson* described, nor indeed adventurous, as he was delightfully reported to have said in our own columns—the best misprints are those which give a bizarre twist to the familiar, and nothing could be more bizarre than an adventurous clearing bank. The extra profits are just plain perverse.

After all, the Government is struggling to reduce the growth of the money supply, in which bank lending is a very large component; yet the authorities have devised a system under which it is certain that the banks shall be positively embarrassed with rewards for doing the thing the Government is trying to prevent.

When interest rates rise very sharply in the U.S., banks do not make record profits. Some of them, with a large loan portfolio, find themselves on the contrary making large running losses. This is the kind of experience which makes a banker cautious. Next time the monetary aggregates look like passing through their official ceilings, it is not hard to guess that loan applicants will get stony answers from many of the bankers who were delighted to accommodate them last time round. They have seen what can happen.

It would certainly be possible to disoblige our own expansion-minded bankers in a number of ways. They might at least be made to compete for their retail deposits, or have their non-competitive practices referred to the Monopolies Commission. The National Girobank could be run aggressively to provide the competition.

Such steps would not make the system crunchy, in the American sense, but they would at least reduce the "endowment" of lazy, interest-free money which ensures at present that when interest rates rise, bankers' margins rise even faster, and consequently that banks, unlike any other business in the UK, are immune to the squeeze which inflation imposes on profitability. It would be some help.

However, the aim should not merely be to dilute the rewards for undermining official policy, but to discourage it. One interesting method would be to take deliberate steps to make the risks of lending more *apparent—for example, by out*lawing floating charges: let the banks look after their own bankruptcies, rather than start a *chain* reaction through *bad* trade debts. The points to remember is that interest rates are not the only check on lending—indeed, monetarists proclaim their irrelevance. The bank manager's shaking head is the ultimate cut-off.

Retrospective

Unhappily, I do not expect to see this suggestion adopted. The Bank of England has too large a supply of dead bodies over which it would have to be imposed. But if the objective is to persuade bankers to say "no" *a tax could also be quite* effective. Indeed, a straight tax on bank deposits would be the most powerful monetary tool imaginable, if it were not for the offshore leak. A retrospective tax on swollen profits gets round this problem. It may be embarrassing, but it carries the right incentive message; undermining official policy is unrewarding.

Finally, a reminder. If Mr. Lawson remains unwilling to raid bank profits, Mr. Leif Mills and his union members will not wait to be convinced: the money is there for the grabbing, and the Irish bank unions have pointed the way. It could be the start of another happy pay round.

Protecting the outsider creditor

BUSINESS AND THE COURTS

By A. H. HERMANN, Legal Correspondent

THE BOGY of insolvency is haunting Europe. The overall financial deficit of British commercial and industrial companies has reached, as Andrew Fisher reported in the Financial Times on Monday, a staggering £4.7bn in 1979.

Small and medium-sized companies suffer most from the financial pressures and quite often, in order to keep the operation afloat their directors and shareholders (or parent companies) feel obliged to put in more money in the form of a secured loan.

This creates problems when the rescue attempts do not succeed and the unsecured creditors have to carry the consequences of the failure, the imminence of which was temporarily obscured by the loans.

Domino effect

They invariably feel wronged and sometimes are dragged into failure themselves. The domino effect, which could be avoided or lessened if the law protected the unsecured creditor better, must have serious *consequences for the whole* economy.

In the UK, loans which directors make to their companies, either by providing fresh money or by not drawing salaries or commissions due to them, rank equally with all other loans. They can withdraw them as long as the company is not insolvent, and even if it is ultimately put in the hands of a receiver they are entitled to receive the same share as other creditors—though the latter will no doubt come back with the argument that they should waive this right on moral grounds.

Such pleas may occasionally influence a soft-hearted indivi*dual but not a parent company* whose directors are not entitled to be charitable with shareholders' money.

The same problems arising out of loans provided by members of a company to keep it afloat exist even in the less harsh financial climate of Germany, but their solution is not only a matter of moral argument. The German courts have made a valiant attempt to secure greater protection for the outsider creditor—in contrast with the insider creditor—by an extensive interpretation of Sections 30 and 31 of the *GmbH-Gesetz*, the statute regulating the German equivalent of a private limited company.

The purpose of Sections 30 and 31 is to prevent the draining away of the basic, or share capital of a company, the preservation of which is seen as the last safeguard for the creditors. The Federal Supreme Court (BGH) took this a step further when it held, in 1959, that these provisions imply creditors must not suffer when the exhausted share capital is, in fact, replaced by a loan provided to make good the deficit. It decided that a loan given by the sole shareholder to a GmbH in order to avoid bankruptcy should be paid back only after the health of the company was restored and — if it came to bankruptcy — must be treated as share capital.

This ruling, which placed the shareholder who tried to rescue the company right at the end of the creditors' queue, was much criticised, but nevertheless upheld in a series of more recent decisions.

The Federal Supreme Court went even further in its judgment* of November 26, 1979, when it extended the prohibition of repayment to loans provided by shareholders in times of prosperity but left in the company after it went into the red. A married couple had left in the company as a loan the profits of a GmbH administered by their trustees. The company was established by them in 1956 and remained profitable until 1971. In 1974, however, it became bankrupt and the couple sued the trustee in bankruptcy for the repayment of their loan which, with interest, amounted to DM 402,000. They claimed that it was secured by a mortgage on machinery and other assets.

The lower courts decided in their favour, reasoning that the company was not undercapitalised at the time when the loan was granted. They were reversed by the BGH which held that the shareholders became caught by the prohibition of repayment as soon as the company went into difficulties. Instead of providing the company with additional capital, they had attempted to save it by leaving it their money on a loan account. They had taken a risk and should not ask the other creditors to pay the bill for their mistake.

It was hardly surprising that the decision caused consternation among German business lawyers. It was argued that the shift from equity finance to loan finance which has taken place in Germany in the past few decades was economically justified and that shareholders or partners were the nearest inside source of such loan capital. One could not assume that inside creditors were necessarily better informed about the future than outside creditors who took the trouble to study the accounts and reports.

It seems that the BGH remained unimpressed. Its latest judgment** in the series, dated March 24 but published with the usual delay, is even more radical. In it, the BGH extends its doctrine to cover loans granted to a "commandit company" in which a GmbH was the "complementarist," that is, the partner with unlimited liability.

Such a company, established in 1972 was managed until 1975 by Herr X who was both the shareholder and only director of the GmbH and a partner in the commandit company. This went into difficulties in 1973 and to help, Herr X left his salary of DM 17,000 undrawn and lent the company an additional DM 5,000 in cash. At the end of the year he withdrew the total amount of DM 22,000 and later left both the GmbH and the commandit company. The GmbH sued him for repayment of this amount, complaining at the same time that his management was negligent.

Reversing the Duesseldorf Appeal Court, the BGH held that the former director must return to the company the loan which he withdrew in 1973 and used this opportunity to restate its ruling of November 26, 1979. It added considerably to the previous decisions which concerned only repayment in connection with an averted or materialised bankruptcy. Even when it did not come to a bankruptcy, said the court, the loan must be treated in the same way as an equity investment, if granted by the partner at a time when the company was unable to obtain a similar loan from an outsider at normal market rates.

Confirmed

The same applied, confirmed the judgment, when the loan, though granted in times of prosperity, was left by the partner in the company after it had lost its creditworthiness and the loan succeeded in preventing its failure. And the rule applied also to a commandit company —which has no guaranteed minimum capital of its own—as soon as there was a danger that a GmbH, participating in it with unlimited liability, could be drawn into a financial crisis.

The moral for shareholders in German companies: withdraw your money while the going is good.

*BGH, II ZR 104/77, 1980 NJW, p.592.
**BGH, II ZR 213/77, unreported.

Another day for favourites

RACING

BY DOMINIC WIGAN

LAVINSKY, ONE No Trump, Pitiless Panther and Beau Reef all rewarded favourite-backers on the corresponding day at Newbury a year ago. It could well be that the bookmakers will again be in for an uncomfortable afternoon.

This time I hope to see Bonnie Charlie, Shady Nook, Hartsfield and Blaze of Glory justify market positions.

Considering that he missed the break in Kempton's Rivermead Stakes on his only previous appearance, the Guy Harwood-youngster Bonnie Charlie did particularly well to take third place behind Bel Bolide.

Staying on better than any in the closing stages of that 16-runner event, Greville Starkey's mount went down by half a length and four lengths to Jeremy Tree's colt and a considerably more forward rival in Redden.

Provided he gets away on level terms in the opening division of the Kennett Maiden Stakes over this—a stiffer course and an additional furlong—Bonnie Charlie ought to have the measure of Ian Balding's newcomer, the American-bred colt Robellino.

Shady Nook beat four opponents 12 months ago in the Newbury Summer Cup under-7 st 12 lb. It will be interesting to see if the Herbert Blagrave-trained Green God gelding, which went on to win under stiffer weights, is up to doing the trick this time.

I believe he can, for, although he has been allotted 10 st, the five-year-old is a much improved animal.

One event which may not go the backers' way is the Kingsclere Stakes, half an hour after the Summer Cup. For in spite of the presence of proven first-season performers in Sharp Venita, Chateau Dancer and Rosy Cottage, this race may well be won by Luca Cumani's newcomer Nabila.

This American-bred filly has been taking the eye in recent homework and will have the assistance of Lester Piggott now that Neville Callaghan has scratched Pariscene.

NEWBURY
2.00—Crown Witness
2.30—Bonnie Charlie**
3.00—Shady Nook
3.30—Nabila***
4.00—Hartsfield
4.30—Blaze of Glory
5.00—Red Gold

BEVERLEY
2.45—Chad's Gamble
3.45—Golden River
4.15—Malpaso
4.45—Tom Dowdeswell*

TV/Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For Schools, Colleges. 1.30 pm Mr. Benn. 1.45 News. 2.00 You and Me. 2.15 For Schools, Colleges. 3.48 Regional News for England (except London). 3.50 Play School (as BBC-2 11.00 am). 4.15 The All New Popeye Show. 4.35 International Match of the Day: England v Belgium.
6.50 Tomorrow's World.
7.20 Are You Being Served?
7.50 Mike Yarwood.
8.30 That's Life Report.
9.00 News.
9.25 Square Mile of Murder.
10.15 International Match of the Day.
11.05 News Headlines.
11.07 Question Time.
12.05 am Weather / Regional News.

All Regions as BBC-1 except as follows:

Cymru/Wales—4.35 pm International Match of the Day: England v Belgium. 6.50 Heddiw. 7.15-7.20 Cartoon. 12.05 am News and Weather for Wales.

Scotland—1.25-1.30 pm The Scottish News. 11.05 News Headlines. 11.07 Current Account. 11.37 News and Weather for Scotland.

Northern Ireland—3.48-3.50 pm Northern Ireland News. 12.05 am News and Weather for Northern Ireland

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.00 pm Tennis: The Stella Artois Championships.
4.35 My Dear Uncle Sherlock.
4.55 John Craven's Newsround.
5.05 Blue Peter.
5.35 The Wombles.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.50 Golf. 1979 United States Open Golf Championship.
7.25 Mid-Evening News.
7.35 Newsweek.
8.10 The World About Us.
9.00 Jeremy Taylor.
9.30 Quartet.
10.15 Your Life In Their Hands.
10.45 Newsnight.
11.30 Interval.
11.35-12.00 Open University.

BBC-2 Wales Only—5.55-6.20 pm Wales Today.

BBC-2 Scotland Only—5.55-6.20 pm Reporting Scotland.

BBC-2 Northern Ireland only—5.55-6.20 pm Scene Around Six.

BBC-2 England only—5.55-6.20 pm Look East (Norwich), Look North (Leeds, Newcastle), Look Northwest (Manchester), Midlands Today (Birmingham), Points West (Bristol), South Today (Southampton), Spotlight South West (Plymouth).

LONDON

9.30 am Schools Programmes. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 For Maddie with Love. 2.00 Here Today. 2.45 Flat Bust. 3.45 Superstar Profile (Christopher Reeve). 4.15 Little House on the Prairie. 5.15 Daily Mirror USSR Gymnastics Scholarships Final.
5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 European Football Championship: Spain v Italy and Belgium v England.
9.30 Catherine Cookson's "The Mallens."
10.30 News.
11.00 TV Eye.
11.30 Lou Grant.
12.25 am What The Papers Say.
12.40 Close: Personal choice with Cyril Shaps.

All IBA Regions as London except at the following times:

ANGLIA

12.30 pm Against The Wind. 1.20 Anglia News. 3.45 Looks Familiar. 4.15 Daily Mirror USSR Gymnastics Scholarships Final. 4.45 The Next Week Show. 5.15 Barney Miller. 6.00 About Anglia. 6.20 *Arena.* 11.30 *Luke's Kingdom.* 12.30 am Themes.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 3.45 Looks Familiar. 4.15 Daily Mirror USSR Gymnastics Scholarships Final. 4.50 Salvage—1. 6.00 ATV Today. 11.30 ATV Newsdesk. 11.35 Kate Loves A Mystery.

CHANNEL

12.30 pm Against The Wind. 1.20 Channel Lunchtime News, What's On Where and Weather. 3.45 Looks Familiar. 4.15 Daily Mirror USSR Gymnastics Scholarships Final. 4.48 Spiderman. 5.15 Survival. 6.00 Report At Six. 10.58 Channel Late News. 11.30 The Lost Continent. 12.00 Soap. 12.25 am News and Weather in French.

GRAMPIAN

9.24 am First Thing. 12.30 pm Against The Wind. 1.20 North News. 3.45 Looks Familiar. 6.00 North Tonight *and Area Weather Forecast.* 11.30 Reflections. 11.35 Soap. 12.05 am The Hottest Show on Earth. 12.30 North Headlines.

GRANADA

12.30 pm Against The Wind. 1.20 Granada Reports. 3.45 Looks Familiar. 4.15 Sam. 4.45 Daily Mirror USSR Gymnastics Scholarship Final. 5.15 Square One. 6.00 Granada Reports. 6.30 Mork and Mindy. 11.30 Mannix. 12.25 am What The Papers Say.

HTV

12.30 pm Money-Go-Round. 1.20 Report West Headlines. 3.45 Food, Wine and Friends. 4.15 Daily Mirror USSR Gymnastics Scholarships Final. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Happy Days. 11.30 Kaz.

HTV Cymru/Wales—As HTV West/HTV General Service except: 9.52-10.07 am Cymru A'r Mor. 12.00-12.10 pm Ffalabalam. 1.20 Penawlau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Sêr. 5.15-5.20 Cartoontime. 6.00 Y Dydd. 6.15-6.30 Report Wales.

SCOTTISH

12.30 pm Gardening Today. 1.20 News Headlines and Road and Weather. 3.45 Looks Familiar. 4.15 Dynomutt The Dog Wonder. 4.45 Daily Mirror USSR Gymnastics Scholarships Final. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report. 11.30 Late Call. 11.35 Paris.

SOUTHERN

12.30 pm Against The Wind. 1.20 Southern News. 3.45 Looks Familiar. 4.15 The Beachcombers. 4.45 Daily Mirror USSR Gymnastics Scholarships Final. 5.15 Mr. Magoo Cartoon. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 11.30 Charles Endell Esquire.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.00 Time to Spare. 3.45 Looks Familiar. 4.15 Daily Mirror USSR Gymnastics Scholarships Final. 4.45 Salvage—1. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 11.00 *North* East News. 11.30 Soap. 12.00 Police Surgeon. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 3.45 Looks Familiar. 4.13 Ulster News Headlines. 4.15 Bailey's Bird. 4.45 Daily Mirror USSR Gymnastics Scholarships Final 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.20 Police Six. 6.30 Sounds of Summer—Marian Montgomery. 10.59 Ulster Weather. 11.30 Family. 12.25 am Bedtime.

WESTWARD

12.30 pm Against The Wind. 1.20 Westward News Headlines. 3.45 Looks Familiar. 4.15 Daily Mirror USSR Gymnastics Scholarships Final. 4.45 Gus Honeybun's Birthdays. 4.48 Spiderman. 5.15 Survival. 6.00 Westward Diary. 10.58 Westward Late News. 11.30 Encounter. 12.00 Soap. 12.25 am Faith For Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

12.30 pm Tell Me Another. 1.20 Calendar News. 3.45 Looks Familiar. 4.15 Daily Mirror USSR Gymnastics Scholarships Final. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 11.30 Fantasy Island.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Paul Gambaccini. 7.00 Talkabout. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 4.30 pm Much More Music (S). 6.03 John Dunn (S). 8.02 With Radio 2. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 4.30 European Soccer Special. 7.00 John Dunn (S) (joins vhf). 8.02 Country Club (S). 9.02 Alan Dell with the Big Band Sound (S). 9.55 Sports Desk. 10.02 Wit's End. 10.30 Star Sound Extra. 11.02 Sports Desk. 11.10 Brian Matthew with Round Midnight, including 12.00 News. 2.02-*5.00 am You and the Night and the* Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Massenet (S). 10.00 Now and Then (S). 11.20 Mrs. H. H. A. Beach piano recital (S). 11.50 Haydn and Prokofiev (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 Bach violin recital (S). 2.55 Nicolai Medtner piano and chamber music (S) including 3.20-3.30 Interval Reading. 4.05 Building A Library of records (S). 4.55 News. 5.00 *Mainly For Pleasure* (S) (‡ and mono only from 6.20). 7.00 Talking About Music (S). 7.30 As Radio 4. 9.40 The Country House in English Poetry. 10.15 Book, Music and Lyrics (S). 11.00 News. 11.05-11.15 Klemperer (S).

VHF Only—Open University 6.00-8.00 am and 6.20-7.00 pm, and for Scottish students only: 12.00-1.00 am

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day: 7.00, 8.00 Today's News; 7.30, 8.30 News headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 1.02 Clubland Heroes. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 Analysis. 11.50 Smith on Survival. 12.00 News. 12.02 pm You and Yours. 12.27 Quote . . . Unquote. 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.15 Any Answers? 4.45 Short Story. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1980 (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Beethoven: The Nine Symphonies, part 1 (S). 8.00 When The Gas Ran Out: The Gordon Bennett Ballroom Rack. 8.20 Beethoven, part 2 (S). 9.40 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

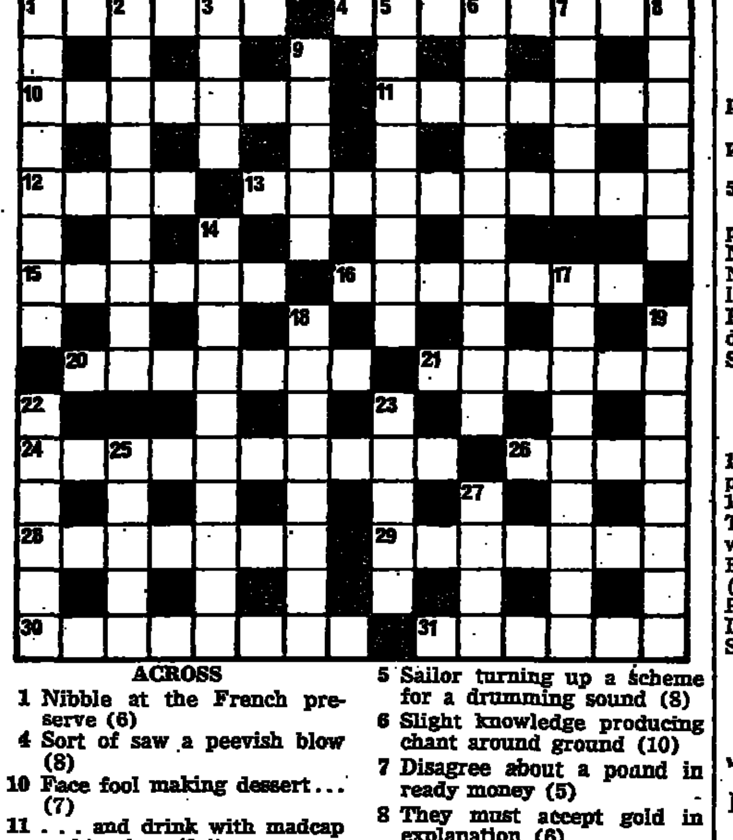
London Broadcasting

6.00 am AM with Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Nightline (Photography phone-in). 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 1.00 pm London Today First Report (S). 1.10 Dave Cash (continued). 3.00 Roger Scott (S). 7.00 London Today (S). 7.20 Lord George-Brown's Capital Commentary (S). 7.30 Adrian Love's Open Line (S). 8.00 Capital Playhouse—"Candida" by George Bernard Shaw (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am John Sach's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,295



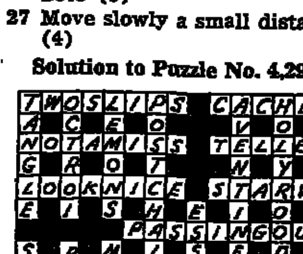
ACROSS

1 Nibble at the French preserve (6)
4 Sort of saw a peevish blow (8)
10 Face fool making dessert . . . (7)
11 . . . and drink with madcap making bun (3-4)
12 Left to dry in den (4)
13 One who sends message to Her Majesty (10)
15 That which sounds cold but tastes hot (6)
16 Clamour about motoring organisation and make a hostile demonstration (7)
20 Cunning found in any lawless state (7)
21 Diligently applied as Boy Scouts may be (6)
24 Fillets fish and starts riding old bicycle (10)
26 Powder found in hospital cabinet (4)
28 Wherein member is inserted to supply weapons to excavation (7)
29 Refined chap and slippery customer (7)
30 Cut off three feet in naval establishment (8)
31 Sovereign fish may follow blow to face (6)

DOWN

1 Effervescing drink used by the upper classes to mix with spirit for people (8)
2 Determine to limit state (9)
3 Brains needed to pass time idly? (4)
5 Sailor turning up a scheme for a drumming sound (8)
6 Slight knowledge producing chant around ground (10)
7 Disagree about a pound in ready money (5)
8 They must accept gold in explanation (6)
9 Pole always cut off (5)
14 Audibly exonerates Conservative in part of church (10)
17 Imperialist medical section (9)
18 Bird from flour producer (8)
19 Poster about learner becoming a perfectionist (8)
22 A piece of timber in ship (6)
23 Tend to be on edge (5)
25 Customary French name I note (5)
27 Move slowly a small distance (4)

Solution to Puzzle No. 4,294



ENTERTAINMENT GUIDE

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THE ARTS

Cynthia Harvey (left), Anthony Dowell, and Natalya Makarova

Metropolitan Opera House, New York

Makarova as Nikiya

by CLEMENT CRISP

Makarova's performance as Nikiya, heroine of her staging of the complete *La Bayadère* for American Ballet Theatre, is an interpretation of the greatest fascination and interest. As I suggested in writing about the production, the old ballet has survived in Leningrad not least because of the grand opportunities it offers the ballerina. Pavlova shone in Petipa's revival of the piece for her; Olga Spessivtseva was revered in it (and mounted the Shades scene in Paris in 1927); the leading Soviet ballerinas—*Semyonova, Ulanova, Dudinskaya*, were hailed in it.

The uncanny effect of watching Makarova as Nikiya is of time travel. Of course the piece is "oldfashioned" — so are *Swan Lake* and *Giselle*—but Makarova reveals why it has had such an attraction for her artistic forebears, and why Nikiya and Gamsatti are roles still honoured in the Russian repertory. Makarova's is, stylistically, a much more "Kirovian" interpretation than she has given since she quit the Leningrad company. It is as if, in acknowledging her artistic and technical ancestry, in satisfying her wish to show *Bayadère* properly to the West, she has assumed the mantle of earlier great interpreters. She thus becomes a link in the illustrious chain of performance that stretches back through her teachers Dudinskaya and Vecheslova, to Yekaterina Vazem, originator of the role of Nikiya (who did not die until 1937, aged 89, and was active as a teacher almost to the last).

In doing so her art has reverted, perhaps subconsciously, to the proper style for the ballet: less "International" and more Leningrad in flavour. It is a matter not just of physical attitudes, but of intensity in identifying with the role. Her performances that I saw were examples of consummate dance-acting. The veiled figure who appears from the temple in Act 1 at the Chief Brahmin's command is a spiritual being. Nikiya's character established at once by the "whiteness" of Makarova's presence as by her costume, and in the solemn, deliberate walk. (Makarova's recently published *Dance Autobiography*—a most illuminating book—tells how M. M. Mikhailov, pupil of Petipa, taught in the Kirov school that the secret of a dramatic role lay in understanding a character's walk. Know how Juliet, Giselle, Nikiya walk, and you know how to start to interpret and dance the role.)

Nikiya's purity—there is an odd, Bournonvillian echo in a symbolism with water, which the temple-dancer offers the fire-dancing fakirs, and with the cleansing flames over which she and Solor swear their love and the Brahmin vows vengeance—is mirrored in the force of her love for Solor. The most extraordinary scene in the ballet, and a unique testimony to Petipa's dramatic genius, is the mime dialogue between Nikiya and Gamsatti, when Gamsatti seeks to claim Solor for her own. The two women battle, although Makarova needs a stronger dramatic challenge than that offered by the technically able but rather mild Cynthia Harvey. Goaded to distraction, Nikiya seizes a dagger to kill Gamsatti, and then, appalled at her own actions, flees. Makarova, in a dark mauve sari, races and eddies over the stage, her movement a triumph of plastique, fluid, pulsating with life and feeling. Without histrionics or bombast, she seems a flame of emotion, flaring and guttering as she runs. There is in her playing here, as in the third scene in which Nikiya must dance for Solor's betrothal and then die, that radiant simplicity, that directness of communication and of expression, which we sense in films of Pavlova.

As the Shade in Act 2 Makarova offers the softest, pearliest dancing, seeming no more than a sigh coalesced into mist, with movement weighing less than the air it inhabits. It is a remarkable display of classic rectitude imprinted with the beautiful dramatic image of a ghost dreamed by Solor. In the last act Nikiya seems sister to the Sylphide as she comes between Solor and Gamsatti at their wedding. But unlike the Sylphide, Nikiya is divinely protected. There is an inevitability about Makarova's presence, an inexorable sense of retribution to be exacted, which confirms what Lopukhov (producer of Leningrad's post-Revolutionary *Bayadère*) felt about the ballet that it is a Dostoyevskian tale of crime rightly punished. The portrait is rounded, beautiful.

Makarova's Solor was Anthony Dowell, dancing nobly, though not yet fully inside the role of the warrior. Marianna Tcherkassky was an accomplished Nikiya at another performance, with Fernando Bujones finding both the romantic fervour and the technical bravura that Solor calls for. ABT's artists, not accustomed to the extended classical discipline of works like *Bayadère*, and new to its rich mimetic and gestural language, make a noteworthy first attempt at its style. They look shy but not uneasy in it.

Aldeburgh

Songs and recitals

This year's festival will end on June 22 with a day of celebration — concerts, fireworks and a banquet—to mark Sir Peter Pears' 70th birthday. But on Sunday evening in the Maltings the Songmakers' Almanac pre-empted that day with a characteristic programme in praise of singing, singers and Sir Peter's art in particular.

There was much in the programme to enjoy and several performances to treasure. This was one of Graham Johnson's less discursive conceptions, with the spoken word very much subsidiary to song, and reading confined to brief interludes between the main business of the evening.

For this occasion the songmakers were Jill Gomez, Sarah Walker, Alexander Oliver and Richard Jackson. Each of them brought forth at least one memorable image: Miss Gomez at her best in the rapt stillness of songs by Schumann and Wolf, but almost stealing the show in Michael Flanders' and Donald Swann's wicked portrait of the tone-deaf diva; Miss Walker opening proceedings with Elgar's "Speak, Music" and evoking the music-hall in George Arthurs' "I Want to Sing in Opera"; Mr. Oliver the focus of Britten's "Cuckoo" while his colleagues provided an accompanying consort.

Mr. Jackson perhaps gave us the most polished singing of the evening—as an artist he continues to mature and develop; Wolf's "Rat Catcher" and Noel Coward's "Where are the Songs we Sung?" entirely different, were both confidently, precisely characterised.

Only the closing item, intended as a loving tribute, was a slight miscalculation. The Almanac had commissioned from William Plomer a rewording of Schubert's Cantata for the Birthday of the singer Michael Vogl, to honour Peter Pears; the text was rather trite and over-fulsome, ending the evening on a down beat.

Monday also was devoted to recitals at Snape. In the evening the young, immensely gifted violinist *Nigel Kennedy*, with the pianist Yitkin Seow, gave a recital of works, the majority of which they have played in London appearances this season. The impression made then was reinforced; that of an apparently impeccable technique at present put to the service of a still partially-formed musical personality. In the wider expanses of the Maltings gestures seemed under-sized and interpretations tentative.

The same afternoon, in place of the promised Richter, Shura Cherkassky had provided a very different substitute. The programme, for those who admire Mr. Cherkassky for his engaging way with the neglected trifles of the piano repertoire, were entirely serious: Schumann's three late *Fantasiestücke*, Brahms's Handel variations, a Chopin group and Britten's early and unfamiliar *Holiday Diary*.

It remained nevertheless a fascinating display of the kaleidoscope of effects that almost alone of contemporary pianists he can conjure from the keyboard. Revelatory to hear Brahms' figurations glitteringly polished, the fugue subject shaded and reinflected on each of its appearances, the bottom-heavy textures strangely lightened and clarified.

ANDREW CLEMENTS

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Record Review

Digital Beethoven

by DAVID MURRAY

Beethoven: Fidelio, Hildegard Behrens, Peter Hofmann, Theo Adam, Hans Sotin, Sona Ghazarian, David Kuebler, Gwynne Howell, Sir Georg Solti/Chicago Symphony Orchestra and Chorus. Decca D178D3 (three records).

Piano concertos Nos. 1 and 2. Radu Lupu, Zubin Mehta/Israel Philharmonic. Decca SXDL 7502.

Piano concerto No. 5. Same artists. Decca SXDL 7503.

Violin concerto. Kyung-Wha Chung, Kirill Kondrashin/Vienna Philharmonic. Decca SXDL 7508.

"Beethoven's Clavier": Sonatas opp. 78, 109 and 110. Bagatelles op. 126. Jörg Demus. Harmonia Mundi 1C 151-99 655/56 (two records).

The digital recording process doesn't re-compose Beethoven, of course — it's not like "Bach on the Moog"; nor are we offered a new sound-illusion, like stereophony. The point of the new technique is simply that the sound of a performance is captured and stored without any intermediate mechanical steps — "tape hiss" is quite circumvented — and the only remaining weak link is your own gramophone, which laboriously translates the message on the record-groove into sound again. The next reform will be the replacement of our plastic discs by something that can be non-mechanically "read" by new domestic equipment. Meanwhile, the results of the new compromise-process are highly impressive in their own right.

Beethoven's *Fidelio*, under Solti, is the first opera to be recorded in this way. Like the other Decca releases in my list today, the surfaces are so clean and silent as to show up the foibles of my equipment rather cruelly. There is some austerity about the production of the performance, too: no extra musical sound-effects, and indeed no aural ambiance to be felt. Though the spoken dialogue (sensibly abbreviated) is delivered with feeling, there is not much straight-through impetus. One's impression is that each separate number has been prepared to the hilt, and since all the music is so strong —and Solti is not a conductor who likes to relax—the dramatic profile of the opera is somewhat ironed out.

That said, it must at once be added that the individual numbers are performed for the most part with a ringing confidence that does not preclude subtlety. The canonic quartet is beautifully set out; the Prisoners' Chorus is movingly intense; above all, Hildegard Behrens is a memorably committed Leonore. She makes a wholly feminine heroine, without the high-minded sexlessness of some distinguished exponents of the role. If that makes her initial disguise hard to credit—especially since her Marzelline, Sona Ghazarian, is no gentle soubrette but an attractively sophisticated creature—it also lends a special pathos to everything she does in the last act: frailty and nervous courage, not the formidable challenge of a Brünnhilde. Earlier, her "Abscheulicher!" is electrifying from the first word, which is rarely flung out with such potent moral horror.

Unfortunately, Peter Hofmann was patently not in his best voice when he recorded his boyish, anguished Florestan. On the count of dramatic verisimilitude, one could hardly complain; but operatic truth is less well served here by a tenor in fragile condition, and Florestan's great aria is only a sketch. Nor is there enough grand malevolence in Theo Adam's quavery Pizarro—certainly not in his crucial first aria, though he is effective in the ensemble. Hans Sotin is on the other hand a magnificent Rocco, ripely and splendidly sung without inflating the character disproportionately. There is a very good Jaquino in David Kuebler, and Gwynne Howell is a majestically lyrical Don Fernando (without the superhuman authority of Fischer-Dieskau in the Bernstein version).

With the Beethoven concerto recordings (all digital) one may be struck most by the orchestral detail, both for its clarity and immediacy and for the remarkable degree to which it reveals distinct orchestral character. The comfortable, plushy sound of the Vienna Philharmonic seems worlds away from the sinewy attack and dry keenness of the Israel Philharmonic. The unsentimental strength of Kondrashin with the one, and Mehta's refined artfulness with the other, pull these idiosyncratic styles in compensating directions.

With Radu Lupu, the "Emperor" Concerto enjoys a vital, clean-limbed performance. There are already doughty competitors in the digital field, however, and these various new "Emperors" would deserve a study on their own. The First and Second Piano Concertos have the field to themselves, and Lupu and Mehta establish a strong claim, with a happy balance between the athletic high spirits of these relatively youthful works and discreet imaginative subtleties. Lupu brings livelier wit to both Finales than does the orchestra —perhaps the proper soloist's prerogative; but the pungent wind-playing is recorded with wonderful vividness. In the Violin Concerto, Kyung-Wha Chung's suave power is just as brilliantly reproduced. Her violin has not the patina of maturity, which is perhaps not what the concerto needs anyway, but the virtuoso sheen and the selfless intelligence make this a rivetting performance.

The only digits involved in Jorg Demus's recording of three late sonatas and the op. 126 Bagatelles are his own, addressed to one of Beethoven's own pianos (a considerably restored Graf). The recorded sound is excellent nonetheless; infinitely more important, Demus uses the special qualities and limitations of the sound of the instrument like an artist, and not like a musical archaeologist. I have never heard so strong a case made for an "original instrument" in Beethoven. I have been playing these records again and again, held by revelations about the musical effects available to Beethoven through specific qualities of articulation and the balance of registers. The usual first reaction—"It sounds like a ruined upright piano!" — is rapidly overwhelmed by amazement at the expressive range (including sheer physical excitement) that Demus has in hand. Nobody should suppose that these superb re-creations are mere curious adjuncts to performances on modern piano-machines.

Thomas Cook travel book awards

Thomas Cook and the National Book League have announced two new literary awards. Worth a total of £2,000, they will be for the best travel book and the best guide book of 1980.

Among the judges for the travel book awards will be Sir John Cuckney, Lord Shackleton, Elisabeth de Stroumillo and Edmund Swinglehurst.

Books in both categories must be written in English.

Lyric, Hammersmith

Travelling North by MICHAEL COVENEY

Travelling north from Melbourne along the east coast of Australia, Frank and Frances find a lonely retreat deep in the Queensland forest. He, a tetchy ex-Communist widower with incipient angina, is in his seventies. She, a divorced grandmother, is 20 years younger. They have known each other for just over a year.

We have become familiar with David Williamson's abrasive social documents over the past few years and it is fascinating to see him experiment in form and break free from those gruesome male enclaves that are his speciality. The play is composed in a series of short scenes, not all of them performed with sufficient *éclat* in Michael Blakemore's *production*, and, for once, posits an alternative standard to the stark and comic brutalism of Mr. Williamson's chauvinistic suburban scene. Not that the horrors of that scene are totally absent—they are still represented in the tangential characters of Frances' daughters who keep on producing children and demanding grandma's return. One of them reports how her husband only turns virile when the sales figures are up.

As the evening progresses and the scenes begin to roll into each other, the play takes on the complexion of an oblique essay on family life, with both daughters being put in their place in a squabble over a baby's name and Frank fending off *his* daughter's accusations of tactless pig-headedness with a defiant shrug. By this time, Peter Vaughan is successfully transforming the old boy into an imposing picture of geriatric granite, turning the classical music up to full blast while wrapping himself in a huge blanket.

But the message gets through and he almost patches up a major row before the final, triumphantly unsentimental scene. Frances comes back to him, not just because she wants to; but also because Gonerill and Regan have slammed the doors in Melbourne. Like Frank, she is a *fully*-rounded study in determined independence and Rosemary Leach caps a subtle performance by looking north once more through her tears in a blaze of light.

Tanya McCallin's house of white clapboard and green wrought iron is set in a towering forest and conjures an escapist ideal I never expected to see in a Williamson play. But even that ideal is characteristically tainted by the neighbour (Jerold Wells) who instantly arrives with offers of beer and barbecues.

I have a sneaking suspicion that, if Mr. Blakemore could invest the proceedings with much more fluency and dispense with some cumbersome scene-changes, this could emerge as Mr. Williamson's most ambitious and original play to date. Set in the expectant dawn of a New Era before 1972, it is the nearest the Australian stage, in my experience, has come to emulating the best of Arthur Miller.

Leonard Burt

Peter Vaughan and Rosemary Leach

Festival Hall

André Previn by PAUL DRIVER

The first of André Previn's own series with the LSO began on Tuesday amid much confusion of programming: *Daphnis and Chloe* had been withdrawn —with it the LSO Chorus—and Rakhmaninov's 3rd Symphony substituted; it was decided that Kyung-Wha Chung would play the Brahms concerto. Then as if the reduction to Brahms and Rakhmaninov was not enough, it turned out on the night that the first violin concerto of Prokofiev had been swapped for Brahms and his *Classical* Symphony thrown in as a filler. For at least one member of the audience this was definitely the nadir, a prospect of Russian inundation scarcely to be borne. For many others, to judge from the applause, it proved a veritable bonanza.

Certainly, the changes were in accordance with the overall tone of the series. Although there will be treats for probably most tastes, the keynote is undoubtedly dapper orchestral brilliance with its middle-brow (middle-class) appeal. Then Mr. Previn is very familiar with the Russian repertoire, having committed a great deal of it to disc, and he knows how to make it yield every glint of its sparkle.

But that he is nonetheless equally alert to the structural thought that is there, and of course the passion, Tuesday's performances—each one impeccable—made clear to the most unsympathetic listener. The concerto could not have been given a more sumptuous reading, yet attention was persuasively drawn also to individual features of construction in the three movements. In the first, for example, the cadenza occurs at the correct place in the sonata scheme but has been truncated to a mere handful of sustained double-stoppings, impressively declaimed by Miss Chung. The third movement veers surprisingly away from its acerbic beginning into a romantic lyricism lasting to the end. Miss Chung played here with great affection, set off, incidentally, by outstanding contributions from the bassoons and tuba.

Mr. Previn even managed to suggest that if Rakhmaninov's 3rd Symphony must finally be judged inspired rhetoric, it did come (or can be made to come) very near to not being that. The developmental activity is too manifest, the warm "unmistakable" cello melody twitches once too often, but the first movement is propelled to a convincing dissonant climax and the second's enclosure of scherzo within Adagio is ingeniously contrived and delightfully coloured with splashes of celeste. After all, the finale's opening of its doors to the *Dies Irae* could have been much, much worse.

Sadler's Wells Far East tour

The Sadler's Wells Royal Ballet Company is to stage its first tour of the Far East with financial support from Barclays Bank International and the British Council.

The company will tour South Korea, the Philippines, Singapore, Malaysia, Thailand, and Hong Kong for five weeks from September 5.

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Learning from Japan

FORD OF EUROPE is widely regarded as a well-managed company. The quality of its management is reflected in its *financial performance and* share of the market. Labour relations, even in the U.K., are relatively good. By rationalising models and production between its British and Continental plants it has secured economies of scale which purely national companies find difficult to match. But, like the rest of the European motor industry, it suffers from a major weakness: its productivity, even in the most modern German factories, is far below that of its principal world competitors, the Japanese. That is why Ford, having studied Japanese practices in detail, is now engaged in an exhaustive review of its manufacturing methods to see how the gap can be closed, or at least narrowed. Some Japanese ideas, such as "*quality circles*," are already being introduced. In the longer run more fundamental changes in the way factories are organised, equipped and manned will have to be considered.

Inhuman

This is the right response to Japanese competition. Many of the demands for protection against Japan are based on the premise, spoken or unspoken, that what the Japanese have done in their factories is so extraordinary and so inhuman in its impact on employees that it cannot possibly be imitated in Europe or the U.S. The devotion of workers to their company, the social context in which business operates, the weakness of trade unions—these factors are said to create conditions for increasing productivity which cannot be duplicated in countries with entirely different traditions and institutions. Such arguments are sometmes reinforced by references to the Japanese financial system, the reliance on bank finance and other supposedly unfair advantages enjoyed by Japanese companies.

Yet the plain fact is that there is nothing magical or superhuman about the way the Japanese have achieved their position as the lowest-cost producers of passenger cars, steel and a number of other products. They simply run their factories more efficiently. Although precise comparisons are difficult, Japanese output per man in cars is probably between two and three times as high as in Germany—and German productivity is *far above* UK levels. About half of the difference is thought to be due to greater investment in automation, half to a better trained, more flexible and more effective labour force.

Automation has been forced on Japan by the shortage of labour; at least half the world's robots are operating in Japanese factories. But the machinery and techniques which are used in Japan are equally available to American and European manufacturers. The pressures to reduce the labour content in the finished product—and to improve its quality—are growing; this is evident in the new car factories being built in Europe and the U.S.

As for the workforce, the Japanese score not so much because they work harder, as because their training is more thorough and they are equipped to carry out a wider variety of jobs. Men on the production line have the skills to carry out maintenance and repair work—and there are no demarcation rules to prevent them from doing so.

In the UK, much more than in Germany, the traditional approaches to apprenticeship and training, the multiplicity of unions and the rigid demarcation rules present very great obstacles, but for those companies which wish to survive in world markets there is no alternative but to chip away at these out-dated practices.

Pressure

It is worth emphasising that the two most important outlets for Japanese cars are their own home market and the U.S. Both these markets, especially Japan itself, are extraordinarily competitive; the pressure on the Japanese companies to reduce costs and improve quality is intense. The ferocity of domestic competition is probably a more important factor underlying Japanese efficiency than the social and cultural factors which outside commentators often stress. If the objective of the European industry is to reach Japanese levels of productivity, as it should be, it will not be achieved through protection. European manufacturers are more likely to learn how to match the efficiency of the Japanese by competing directly against them.

Giving credit to patrons

AFTER successfully defending his domain in the Cabinet battles over public spending programmes, Mr. Norman St. John-Stevas, the Thatcher Administration's cultural conscience, is now directing his considerable energies towards the second prong of his campaign to improve the financial predicament of the arts in Britain. Having managed, in the face of formidable odds, to increase the State's arts spending in line with inflation, to £163m, Mr. St. John-Stevas has stated that "to enable any further substantial initiatives to be made in the arts, we must look to the private sector." In fact, since the cost of most artistic endeavours has been rising faster than the rate of inflation, more help from the private sector will be required even to maintain existing standards.

Objective

Thus stimulating arts patronage by private individuals and business is now the Art Minister's most important objective, and success will be crucial if Britain's cultural life is to continue to flourish. The scope for growth in arts patronage is enormous. Currently businesses spend only between £4m and £5m a year on the arts. Though this is a large increase over the £600,000 spent five years ago, a glance across the Atlantic, where arts patronage runs into hundreds of millions of dollars, suggests that the target of doubling business spending by 1982, which Mr. St. John-Stevas announced on Tuesday, should be attainable.

Mr. St. John Stevas's efforts deserve the fullest possible support from the business community. The new committee which he has established, and which includes several distinguished businessmen, as well as a trade union leader, should help him spread his message. His energetic personal advocacy and his position as a Cabinet Minister mean that his pleas are more likely to be heeded than those of previous arts ministers, particularly by businesses, such as the clearing banks and oil companies, which are concerned about their political standing.

But the campaign to bring more private money into the arts will require more enthusiasm and understanding from the Government, the artistic institutions and the media, if it is to achieve its full potential. The tax concessions available for arts patrons are still inadequate, even though they were increased in the last Budget. Individuals are given tax relief only on covenants lasting for at least three years and these are limited to a total of £3,000 a year for each taxpayer.

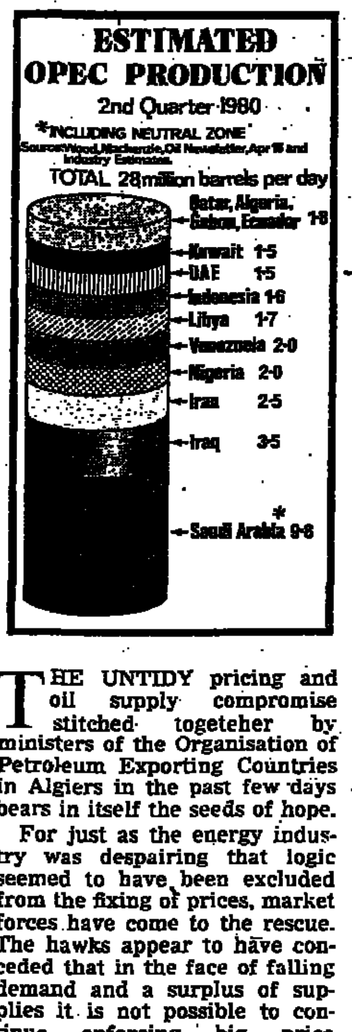
Although the rules are admittedly very broadly interpreted by the Inland Revenue, the tax treatment of arts patrons is still far from generous and does not do enough to reinforce the urge to support the arts for totally disinterested motives felt by many wealthy individuals and businessmen. The Inland Revenue's understandable concern to combat tax avoidance should not be allowed to take priority over the need to encourage arts patronage.

Even more desirable than further tax concessions, however, would be a change in the public image of arts sponsorship for business reasons. The idea that corporate image-building is somehow a dubious practice and that the taint of commercialism detracts from artistic values is still deeply ingrained in British society.

Publicity

The media, for their part, are only slowly coming to accept the need to give full credit to business sponsors of artistic events which they cover. While business sponsorship of sports on television is now a firmly established practice, and provides a unique opportunity for commercial publicity on the BBC, for example, there is still a good deal of coyness about emphasising the sponsorship of artistic events. Indeed Mr. St. John Stevas himself fell into this trap on Wednesday, in his booklet he cited numerous examples of sponsorships, but was careful to refrain from naming the companies involved—referring, for example, to "a company that is internationally known for its computers and high-technology software," when he could easily have said "IBM." It is time for the Government, the media and the public to recognise that sponsorship is something to be encouraged and to give credit where it is due.

OPEC AFTER ALGIERS



With luck it's only $1 more a barrel

THE UNTIDY pricing and oil supply compromise stitched togeteher by ministers of the Organisation of Petroleum Exporting Countries in Algiers in the past few days bears in itself the seeds of hope.

For just as the energy industry was despairing that logic seemed to have been excluded from the fixing of prices, market forces have come to the rescue. The hawks appear to have conceded that in the face of falling demand and a surplus of supplies it is not possible to continue enforcing big price increases.

That is not to say that we, the oil consumers, are about to enjoy a price freeze. What has happened is that the national ceiling for Arabian Light crude oil, produced by Saudi Arabia, has been moved from $28 to $32 a barrel. This means that Saudi Arabia and other producers of similar crudes which are now charging less than $32 a barrel, may raise prices as and when they think fit.

Kuwait has already given notice that it will add $2 a barrel to its prices on July 1—the date when the compromise package takes effect. This will mean that Kuwait's light 31 degrees crude will then cost $31.50—$6 a barrel more than in December and almost 160 per cent more than at the end of 1978.

Sheikh Ahmed Zaki Yamani, Saudi Arabia's Oil Minister, is keeping to an enigmatic posture. The fact that OPEC ministers had agreed on the new benchmark price, based on the Kingdom's light oil, did not mean that Saudi Arabia would soon be increasing its rate from $28 a barrel, he said in Algiers yesterday. While he did not rule out the possibility of Saudi Arabia adding "$1 or so," he said he would not be surprised if the price stayed at $28 for at least the next three months. United Arab Emirates, a *long-standing* ally *of* Saudi Arabia, has said it will not raise its prices for the time being.

But it is Iran, among the Middle East producers of light crude oil, that finds itself caught in the biggest pricing dilemma. Its present "marker" price is already well above the new OPEC ceiling—$35.37 a barrel, including a "market premium" and credit charge. It has been trying to push its selling prices even higher, although here it has been meeting resistance from the Royal Dutch/Shell Group, British Petroleum, and a group of Japanese companies. The question remains whether Iran will now trim its prices to bring them more in line with the OPEC limit. Industry and diplomatic reports suggest that Iran has already started this process with deliveries to India, Turkey and South Korea, although Mr. Ali Akbar Moinfar, the Iranian Oil Minister, has denied that he is making cut-price sales.

Iran has a counterpart among the African producers of premium crudes—those which at the OPEC meeting agreed to set their own ceiling of $37 a barrel. Algeria, the leading hawk in this group, already charges $38.21 for its main Saharan and Zarzaltine crudes. This prices does include a $3 exploration fee, refundable in certain cases, and it is possible that Algeria will be forced to change this premium fee.

Not that the OPEC agreement demands a realignment of prices around—or, strictly speaking—below the $32 and $37 a barrel ceilings. They are merely guidelines. As Sheikh Ali Khalifa Al-Sabah, the Kuwaiti Oil Minister, commented yesterday: "According to this agreement there is no way you can prevent national oil companies discussing arrangements over and above the official price."

These pricing guidelines—although general and clearly vulnerable—should not be dismissed lightly. They represent a compromise which many in the industry considered unattainable a few days ago. If the agreement holds, according to OPEC sources in Algiers, the average price increase on July 1 should be no more than $1 a barrel. That would mean 1-1½p a gallon on product prices.

No one in OPEC wants to see a return to pricing unity more than Sheikh Yamani. No producer is in a better position to enforce it than Saudi Arabia.

OPEC recognises that it is now producing far more than the world needs. And Saudi Arabia, by maintaining its output at 9.5m barrels a day, is contributing most to this surplus. But throughout the Aligers meetings Sheikh Yamani refused to commit the Kingdom to cutting production, he wanted to see pricing conditions stabilised first.

According to latest industry estimates, the free world demand for crude oil (setting aside modest imports from Communist countries) is now running at a rates of 47m barrels a day. OPEC members are producing around 28m b/d at present while other countries—the U.S., Mexico, Canada, the U.K. and others—are pumping out 21m b/d. This means that every day 2m barrels of crude oil are being put into the nearly full storage tanks.

World oil stocks are now at record levels. The main developed countries of the West are thought to have over 80 days' of supply in storage. Some have over three months' supply of stocks—almost three times the accepted minimum operational level. With these stocks behind them companies are reasonably optimistic about the supplies for next winter.

Normally companies would expect to draw down stocks in winter at about the same rate as they build them up during the summer months—by say 2m barrels a day. But in view of the general economic recession and conservation effort the industry may be able to get by without such a large stock depletion. Much will depend on the producing attitudes of OPEC nations.

Already a number of the leading exporters—among them Kuwait, Venezuela and Nigeria—have reduced their output to bring OPEC's total production down to around 28m b/d from the average of 30.7m b/d last year. Mr. Moinfar of Iran said yesterday there was now an understanding among OPEC states that they should reduce production levels even further, to around 26.5m b/d.

Some of this reduction could be effected by Iran—say around 5,000 b/d—but there is a limit to the amount by which others could cut back. They will be influenced not only by economic cosiderations of maintaining revenue, but also by the reservoir conditions in their fields. They will not want to reduce output to levels that will damage the producing capabilities of their fields. And that could happen unless the cuts are made with care.

Saudi Arabia holds the key. It has the ability to take perhaps 3m b/d out of the system without suffering undue economic or production hardships. It also has the ability to flood the market—particularly at this time of low demand. Saudi Arabia's sustainable producing capacity has recently been increased to 10.5m b/d. Soon it could be approaching 12m b/d.

The Kigdom is also altering its selling arrangements to broaden its influence. Up to the present Saudi Arabia's high output and relatively low prices have principally benefitted members of the Arabian American Oil Company (Aramco)—Exxon, Texaco, Standard Oil of California, and Mobil. Other major oil groups have been left to scramble for supplies from the other OPEC countries. This is one reason why some of the pricing hawks have been able to sustain their high tariffs.

But the Aramco partners' share in the Saudi supply is being gradually reduced. This month, for instance, Aramco will lift just 6.55m b/d as against around 7m b/d earlier this year. According to Petroleum Intelligence Weekly, a leading oil industry newsletter, if Saudi Arabia reduces its production level to 8.5m b/d, the Aramco partners may have to get by with no more than 6m b/d.

Two basic questions, arising from this week's OPEC meeting, have still to be answered. Will Saudi Arabia trim its output and create a tighter market? And will some of the pricing hawks go their own way and ignore the new guidelines? The inference of the Algiers compromise is that if the answer to the second question is "yes," the answer to the first will be "no."

The encouragement to be drawn from Algiers is that the momentum of price increases appears to have been slowed. Reduced oil demand in the industrialised countries—in part arising from deliberate policies—does seem to be registering in OPEC's thinking.

Ray Dafter

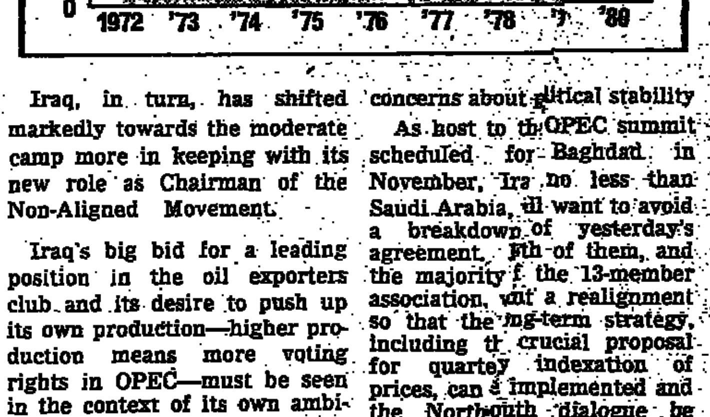
SUPPLY AND DEMAND

SUPPLY AND DEMAND
NON-COMMUNIST WORLD IN MILLION BARRELS/DAY

PRODUCTION	1978	1979	1980*
OPEC	29.9	30.7	28.1
U.S.	10.3	10.2	10.2
North Sea	1.4	2.1	2.4
Mexico	1.3	1.6	2.2
Others	5.7	5.9	5.9
TOTAL	48.6	50.4	48.8
Net imports from non-Communist countries	1.9	1.0	0.8
SUPPLY	50.5	51.4	49.6
DEMAND	51.0	51.4	49.6
Stock build	0.5	0.0	0.0

* Estimate.

Source: Phillip and Drew, Oil Review May 1980



A fragile compromise

BY RICHARD JOHNS IN ALGIERS

The OPEC ministerial conference at Algiers once again shows that OPEC no longer is a cartel in the classic sense of the world if it ever was. It will not regulate supply to raise and fix prices, thanks largely to the persistent influence of Saudi Arabia.

At this stage it would be premature to categories the temporary pricing framework decided upon in Algiers as "institutionalised pricing chaos." Certainly, it is a cosmetic agreement whose make-up could crack at any point in the next three months before the next review. But despite its transparent weakness the accord represents more than a facade of solidarity.

A leading player in the all-night session was Mr. Ali Akhbar Moinfar, Iran's Minister of Oil, who snorted the fire of Islamic revolution. Much time was spent on his minor quibbles about phraseology. Iran's exports have plummeted to 500,000 barrels a day, little more than one-tenth of the volume before the revolution and not even enough to provide the revenue to pay the country's civil servants.

The ebullient Mr. Moinfar concentrated his fire on the tough, red-haired Iraqi oil Minister Mr. Tayeh Abdel Karim accusing the revolutionary regime in Baghdad of "stealing" traditional Iranian markets. Iraq and Iran—the two other giants of the Gulf—have been on the verge of open warfare over a simmering territorial dispute.

Tension subsided on Tuesday when Sheikh Yamani returned from consultations with his royal masters, showing more flexibility than had been expected.

As early as the autumn of 1978 Sheikh Yamani said that Saudi Arabia alone, without the support of Iran, could no longer decisively restrain oil price rises. Since then its influence has been further eroded.

The Soviet Union's expansionist policy in the region, the Iranian revolution, the failure of the U.S. to save the Sah, and rising tension in the Middle East because of the lack of progress toward a comprehensive settlement have driven the Kingdom into the Arab mainstream. In particular it has brought about a close entente with Iraq, until recently a much feared radical neighbour.

Iraq, in turn, has shifted markedly towards the moderate camp more in keeping with its new role as Chairman of the Non-Aligned Movement.

Iraq's big bid for a leading position in the oil exporters club and its desire to push up its own production—higher production means more voting rights in OPEC—must be seen in the context of its own ambitious development plans and its concerns about political stability.

As host to the OPEC summit scheduled for Baghdad in November, Iraq no less than Saudi Arabia, will want to avoid a breakdown of yesterday's agreement. Both of them, and the majority of the 13-member association, want a realignment so that the long-term strategy, including the crucial proposal for quarterly indexation of prices, can be implemented and the North-South dialogue be resumed at OPEC's instigation.

MEN AND MATTERS

Pritchard springs a surprise party

The lions sat down with the lamps for lunch at a private party at the Dorchester yesterday. More than 200 of them—Lords, the odd lady, politicians of all complexions, sheikhs, industrialists, bankers, royalty and Clive Jenkins—turned up at the invitation of their mutual friend and vice-president of Northants Youth Club Association, Lord (Derek) Pritchard.

Inevitably, I fear, the grand mixture failed to prevent modest amounts of business talk cropping up as common-interest groups gathered in pre-lunch cliques. I none quiet corner, for example, two former prime ministers could be found mulling over the good old days. Leo Tindemans of Belgium, who had chartered a private jet to lunch with his old frend, was spotted deep in conversation with Jim Callaghan.

Oddly, hardly any of them knew why exactly they had been asked. Lord Pritchard, I hear, chairman of the Dorchester, former chairman of Rothmans International and Allied Breweries and one-time president of the Institute of Directors, had deliberately not said in his invitation that the occasion was his 70th birthday party (three days late) because he did not want anyone to bring him presents.

Prof's jubilee

While the atmosphere might not be quite as jolly as at Lord Pritchard's party—expect tea from an urn in place of the 1969 Chateau Cos d'Estournel served yesterday—I suspect we shall see a fairly high-powered audience at a meeting in the London School of Economics on January 27 next year.

The occasion is the 50th anniversary of the first lecture delivered there by Prof. Friedrich von Hayek, the economist so close to the heart of Mrs. Thatcher.

A prophet of inflationary doom since his early days—in the 1920s he saw his Austrian civil service salary zoom from 3,000 to 1m schillings in 10 months—Hayek plans to deliver a lecture on the same subject as in 1931: Prices and Production.

The LSE has yet to trace the text of his original talk, which should provide an intriguing comparison with the 81-year-old's latest thinking. He has, after all, been known to change his mind on key issue. A staunch supporter of the gold standard and fixed exchange rates for most of his thinking life, he has of late preached long and hard on the merits of Governments giving up their attempts to manage exchange rates.

His theory, my experts tell me, is that currencies should be allowed free range—some might even be issued privately—and to compete with one another rather like breakfast cereals on the supermarket shelves.

Love conquers

The taxman was defeated yesterday—by truth, love and beauty. The Inland Revenue had opposed a High Court application by the South Place Ethical Society to be listed as a charity and thus stem the corporation tax drain on its meagre funds.

It claimed that it was charitable because it advanced religion. Not so, said Justice Dillon, making a rare judicial excursion into the field of philosophy: "Religion is concerned with man's relation with God; ethics with man's relation with man.

"If reason leads people not to accept Christianity or any known religion," he averred, "but instead to believe in the exercise of the qualities of truth, beauty and love, their beliefs may be to them the equivalent of religion, but, viewed objectively, they are not."

"Religion" was used in the wrong context in the society's objects of "the study and dissemination of ethical principles and the cultivation of a rational religious sentiment," said the judge.

But the society had a second string to its lego-philosophical bow: if it was not religious it was educational, it claimed. Quite so, said his lordship. I shall report further should I hear that the Inland Revenue intends to appeal to a Higher Authority.

Swats new

From the land which gave us the pet rock comes a new product which threatens to make redundant the rolled-up newspaper. A group of enterprising U.S. manufacturers has just introduced a fly-swatting gun in time for the open season on mosquitoes, gnats and all flying nasties.

The spring-powered pistol discharges a thin plastic disc about four inches in diameter. Aimed at an unsuspecting fly on a wall or ceiling, my consumer testing team says, the result can be messy as well as fatal.

Sellers of the product suggest, however, that it is neater and more challenging to blast the target in mid-flight from a distance of 12 to 18 inches. Thus hit, the fly is merely stunned and falls to the ground whence it can be easily and tidily dispatched.

Smoke scare

Perhaps it is all part of the aura of well-being created by gently puffing at a Havana cigar, but the British importers seem calm despite the crop failures which have hit the Cuban tobacco fields in the past two seasons.

"They have good stocks of matured leaf," says Derek Harris, chairman of importer Melbourne Hart, "and they will be able to keep up fairly satisfactory deliveries to the UK and elsewhere at least for the remainder of 1980. After that it all depends on the success of the crop to be planted in October."

Farmers have been provided with chemicals to kill off the spores carrying blue mould disease which has infected most of the Caribbean and spread into the U.S.

Even if the new crop survives, however, there is going to be a definite shortage next year, Harris tells me, because the leaf has to be properly matured before rolling.

"Still," he adds, in terms which must smack of sacrilege to devotees, "you must remember there is lots of choice. Jamaican and Nicaraguan cigars are established alternatives."

Hold on, please

"If we are going to have a dynamic Britain," boomed Sir Peter Parker in deepest Hackney yesterday, "we must have a dynamic railway." The BR chairman was opening two new stations which, it is hoped, will help improve transport facilities in the docklands.

"Is there anything supermodern about these stops?" he was asked.

"Yes," the chairman replied, "they have got no loos."

On the new dynamic railway, explained a local manager, "toilets are expensive to provide and difficult to maintain. Rather than have the loos tatty or vandalised we took a conscious decision not to have them at all."

Blunt instrument

My correspondent in the cloth cap reports that a new term for the Government's restrictions on public sector pay is gaining favour in the trades union movement, where they are known as "cosh limits."

ECONOMIC VIEWPOINT: THE OIL CONNECTION

A brief for the Cabinet Secretary

To: SIR ROBERT ARMSTRONG
Distribution: General

This note brings together some aspects of energy and general economic policy, often treated separately. You may find it of use for the Economic Strategy Committee and also for the Prime Minister's briefing for the Heads of Government meetings in Venice on June 22 and 23, subsequent to the EEC meeting now taking place in that city.

The figures represent broad orders of magnitude to illustrate the main argument. More detailed quantification should be available from the Treasury. Any remaining points of principle can be amplified orally on the Rialto (or if preferred on the *vaporetto* to Torcello).

The deterioration in world economic performance since the early 1970s and energy policy have frequently been considered separately. The key indicators brought together in the large chart suggest that they are not separate issues, but different aspects of the same problem.

The striking feature of the chart is the close link between *the major oil price increases* and the severe bouts of inflation and recession which have *affected the world. Oil prices* have risen tenfold, from between $2 and $3 per barrel in 1972 to $36, for *North Sea oil* today. This has not been a smooth process but occurred in two major spurts in 1973-74 and 1979-80. Each spurt has been followed by a boost to prices generally and followed within a year by a slump in world industrial production.

Monetary policy has on a world-wide scale played an important, but unspectacular role. A large "shock" increase in a key product has under modern conditions an impact effect on the general price level. If there is no change in monetary policy, this effect will eventually disappear as other prices are forced to adjust. But given the wage and price rigidities of a modern industrial economy, the accommodation can take some years and be quite painful.

It is not difficult to see why. An increased general price level will, by definition, make the average transaction more expensive to finance. This means that the real value of any given money supply is reduced and this has a depressive effect on *output and employment.*

The increase in oil prices, together with consequential increases in other energy prices, has had an impact effect on the UK Retail Prices Index, of the order of 5 per cent since the end of 1978. On top of this has been superimposed a 3 to 4 per cent increase due to the rise in VAT in the 1979 Budget.

The VAT increase will no longer be affecting the annual comparison by the time the July RPI is published this August. The consensus forecast reinforced by the Algiers meeting is that oil prices will now level off, rising no more than world industrial prices; and in the view of Sheikh Yamani the real oil price could actually fall under the impact of recession as it did in 1975.

World commodity prices have fallen back sharply; and the price index of materials and fuel purchased by UK manufacturing industry levelled off completely between March and May, after rising by nearly 30 per cent in the preceeding 12 months. At the finished goods level, the last CBI inquiry showed the proportion of companies intending to increase prices to be the lowest for 18 months.

Thus there is a good chance that UK *consumer* price inflation once it starts to decline will fall more quickly than is generally realised. The main requirement is that sterling should not fall too sharply, a point to bear in mind in interest rate policy. The problem *will then be to take* advantage of the downward momentum and reinforce its effects on expectations.

It is tempting to leave the matter there. But fervent hope is *not a complete* basis for policy. You have asked (or should have asked) for contingency plans in the event of another oil price explosion. The events in Iran were not foreseen and a change in regime or policy by a major OPEC country, for instance . . . (the next few words of the memo have been erased) could produce another 1973-74 or 1979-80 oil price increase overnight.

No macroeconomic policies can remove the real stress imposed on industrial countries by *a large rise in energy prices.* As manufacturing industry is more energy-intensive than other activities, oil price increases can only intensify the structural pressures making de-industrialisation a rational response to the new international environment (Economic Viewpoint, April 24).

But it is possible to reduce the "stagflation aspects"—i.e. the adverse impact on both prices and output outlined above. Another "shock" 5 per cent increase in the UK price level due to energy prices *superimposed on everything* else would not be accepted as once-for-all by British public opinion. Hopes of reducing inflationary expectations would be shattered. The political credibility of the monetary approach would be destroyed; yet there is nothing to put in its place. (For reports on early attempts to tackle rising prices "directly" see under Edward III, Elizabeth I, etc., Public Records Office.)

On the other hand attempts to stop oil prices rising, for instance by controlling North Sea prices, would be highly damaging. Energy prices below world levels would be an incentive to consumption and a disincentive to energy-saving investment. In particular they would encourage wasteful domestic use of North Sea supplies and reduce sales on the international market. The experience of the U.S. with soaring energy consumption, encouraged by below-market oil prices, is warning enough.

A sensible strategy would surely be to allow the full effect of any future oil shock to affect the real price of oil—that is, its price relative to other commodities — while insulating the general price level. This is the key suggestion of this memorandum.

The British Government's stake in North Sea oil revenues makes such an insulation fairly straightforward. Estimates of the effect of a 1 per cent increase in the oil price on the government tax-take vary, but 1.3 per cent is about the centre of the range. Let us take for the sake of illustration a figure *of £6bn a year* for oil revenues when they are flowing at maximum rates early in the 1980s. *(This estimate differs from previously published ones mainly in being in current rather than 1978-79 prices).* Then applying the suggested elasticity of 1.3, a doubling of oil prices would ultimately increase the government take by £8bn per annum.

A doubling of the oil price would also add 5 per cent to the Retail Price Index taking into account the full impact of the energy element on all costs. It so happens that £8bn is almost exactly two thirds of the estimated VAT receipts in the current financial years. Thus the additional oil revenues would be sufficient to finance a cut of VAT from 15 to 5 per cent.

The approximate effect of a 10 per cent reduction in VAT on the prices index is 5 per cent (as displayed in the smaller table) thereby cancelling out the impact of the hypothetical doubling of the oil price. This is an illustrative calculation only. Customs and Excise cuts concentrating on drinks, tobacco and other specific duties would have a bigger RPI effect for a similar revenue cost.

There are other complications. If oil prices were to rise it would be rational to allow other energy prices, notably gas, to rise to some extent in response to market forces. The proposed gas tax will, however, channel back to the Exchequer the increased Gas Corporation takings from gas sales; and it will thus be possible to offset the effect on the RPI of a rise in gas prices by reducing other indirect taxes. This would make gas pricing policy less politically traumatic than it has been in the past.

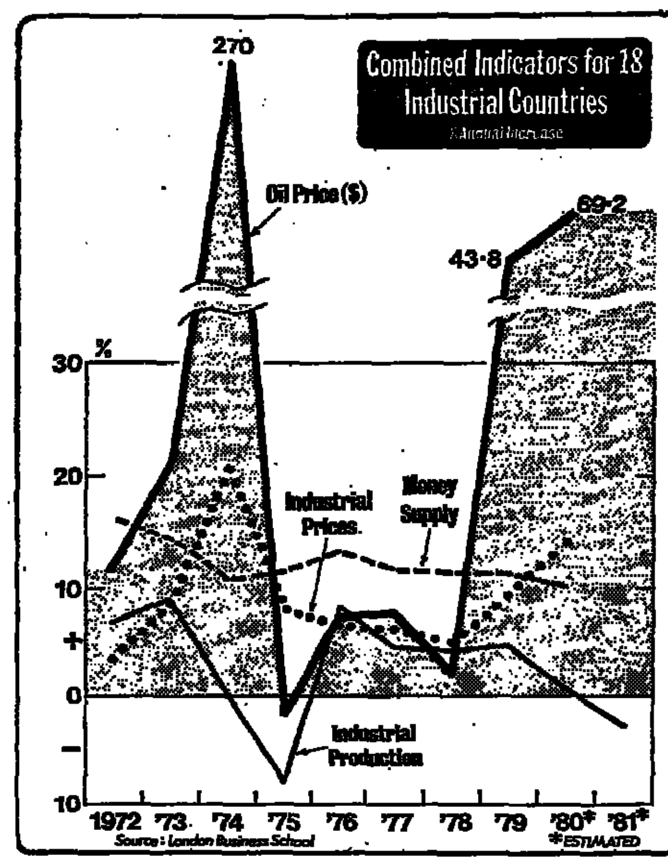
It should be noted that the proposed contingency plan does not in any way impair the chances of securing the "net fiscal adjustment" of £3.5bn tentatively estimated as available for income tax reduction by 1983-84 (or if preferred for dividends on the Brittan-Riley citizens' oil stock). The Medium Term Financial Strategy is based on an unchanged real oil price. The proposals in this submission deal with incremental revenue arising from further increases in that price.

The general question of how to treat larger than anticipated oil revenues, unconnected with any OPEC crisis, has been discussed elsewhere. I am aware that there is an alternative plan for using increased oil revenue to reduce NIS (employers' National Insurance Surcharge). But this alternative would have a smaller offsetting impact on the price index; and the improved corporate cash flow could lower resistance to wage claims. Thus the VAT or Excise duty reduction is doubly favourable from an anti-inflation point of view.

The contingency plans outlined here may be cold comfort to our summit partners who do not have North Sea revenues.

Why not introduce an energy consumption tax in industrialised countries?

But the general moral of (a) allowing *relative* prices of energy to rise if world oil prices *rise; (b) offsetting the effect* on the *overall* price level and (c) maintaining the monetary stance, still applies. Being less fortunately placed, other countries would have to finance the offsetting cuts in consumer taxes by some mixture of



expenditure curb and income tax increases. *(Not a point to be stressed at the EEC summit. R.A.)*

The argument can, however, be generalised. Why wait for OPEC to reduce output and raise prices? Why not introduce in stages an energy consumption tax in the industrialised countries? This would enable their Governments to capture some of the money that would otherwise be paid as a tax to OPEC producers, encourage energy savings and also provide them with revenues to reduce indirect taxes. A general consumption tax on oil products has been suggested by Mr. Anthony Solomon of the New York Fed under the heading of domestic recycling. It thus differs from the import tax proposed by President Carter and rejected by Congress.

But even if the EEC and Japan have to go it alone the effect on the world energy market would still be worthwhile.

Price deterrents to energy consumption could be combined with measures to discourage *OPEC countries from wanting to* keep their oil in the ground. The biggest incentive for them to do so is the falling buying power of the currencies in which they are paid and the shortage of investments offering an assured real rate of return. Providing OPEC countries with a limited supply of index securities (perhaps against "new" oil sales only) would be no more than to protect their funds from expropriation by inflation.

Energy policy becomes an altogether more promising subject, once incentives and the price mechanism are brought to the centre of the stage. But I fear it is too late to prevent Heads of Government reading each other's infinitely dreary lectures on energy-saving targets expressed in purely physical Gosplan-like terms.

Samuel Brittan

The striking feature is the close link between major oil price rises and inflation

EFFECTS OF A DOUBLED OIL PRICE
(Based on 1980-81 financial year)

Full Impact on Retail Prices Index	+ 5%
Eventual effect on Govt. N. Sea revenues	+ £8bn
Reduction of VAT rate *made possible*	−10%*
Effect on RPI	− 5%

* From 15 to 5%

Letters to the Editor

The simple solution

From the Deputy Director of the National Institute of Economic and Social Research.

Sir,—We have been told in your columns that the solution to the problem of public sector pay is breathtakingly *simple: it* should be settled by a study of the supply of, and demand for, *labour for each job.*

I think it would be useful if those who advocate this solution were to undertake an exercise to show how it should be done. Doctors' pay would be a good one to start with. There are more applicants than vacancies for places at medical schools in this country: does it follow that doctors' pay should be reduced, relative to some national average figure? What judgment should be made about the average quality of the successful applicant? Then some applicants for medical school may have it in mind to pursue careers outside the United Kingdom: should they be excluded from the numbers?

If so, how? Then again, a large number of Commonwealth doctors want to come and work here: should they be included? When some applicant to vacancy ratio is established, then it must presumably be compared with the applicant to vacancy ratio for other professions. How are these to be obtained? Assuming that they are obtained, by what arithmetic are different applicant/vacancy ratios to be converted into income differentials?

Presumably the answer is by trial and error. We have 20 years in which we push down doctors' relative pay—it will take about that time to adjust the expectations of potential entrants who do not normally choose their profession with any knowledge of alternative life-time earnings. Then, when the number of applicants for places at medical schools has dried up (because of a slight under-estimate of the lags in the relationship), doctors' relative pay is then pushed up for another 15 years, and so on.

The first report of the Clegg Commission (which most of those who comment on it have clearly not read) has an interesting discussion of some of these questions. Sadly, it is not true that every economic problem melts away when the words "supply and demand" are intoned.

F. T. Blackaby,
Deputy Director, National Institute of Economic and Social Research.
2, Dean Trench Street, Smith Square, London, SW1.

Defending the accountants

From Mr. A. W. Nelson

Sir,—Mr. M. Littlewood's analysis of our economic decline (June 5) which appears to attribute our troubles to accountants in industry cannot be allowed to pass unchallenged.

Let me first disclose my interest. I am an accountant. I have been president of one of the major accountancy bodies in this country (The Association of Certified Accountants) and, therefore, can lay some claim to knowing something at least about accountants. They are certainly not the dead hand on industry that Mr. Littlewood would have us believe.

Indeed, their modern techniques of investment appraisal are based on attempts to foresee the future effect of current investment plans. It would be easy to point to businesses which are world leaders in their field —and there are a number in the UK—where accountants play a leading part in their development, but this would solve the problems which beset us no better than sweeping attempts to pile the blame upon a profession which has certainly deserved better of the community than Mr. Littlewood is prepared to grant.

No sir! We must look elsewhere for the solution to our problems, and to do this we need some understanding of the problems themselves. Innovation, whether it be of products, processes or methods depends *upon a very small percentage of* the population.

I would not know the precise proportion, but it would surprise me if more than 0.1 per cent of the population were found to possess this essential spark. Accordingly, if we were to order our ideas intelligently, we would create the conditions in which these people could rise to the leadership of our businesses.

It is a great tribute to a few of them, that, despite all the obstacles to their progress and development, both financial and social, which we have so industriously erected in the past 50 years or so, they have, nevertheless, risen to the top. Unhappily, many more have adopted other *courses.*

Many have emigrated, some have reduced their commitments and enjoyed an increase of leisure, and in taking this course they have left many a management in the charge of minds both cautious and second-rate.

What have we done wrong? Since the last war we have adopted policies which have tended to make life easier *for the slothful and which have* penalised the successful.

We have, moreover, encouraged *an attitude of mind* which regards hard work as a mug's game, and success, particularly financial success, as something lightly suspect and certainly not respectable.

This is not confined to fiscal and financial matters but has been allowed to affect the whole of our social thinking, and, as a result, the small proportion of innovators in our society have either become discouraged, or have departed for a more favourable clime.

Sir,—Certainly, in Mr. Littlewood's words, we have institutionalised decline, but this has little to do with the stock exchange, pension funds, and insurance companies—or indeed career accountants.

It has to do with sour and envious minds and the policies which go with them. This situation is not helped by unjustified attacks upon a profession which has done a good deal to preserve the integrity and standards of our business community.

A. W. Nelson.
Hedgerows, Orchard Road, Pratts Bottom, Kent.

Time to stop bleating

From Mr. B. M. Weigold.

Sir,—You are to be congratulated on publishing Samuel Brittan's article "Time to stop bleating." The article was concise and objective and should be compulsory reading for MPs, the CBI and the TUC.

The two lines "Real interest rates are negative and mortgage rates a giveaway" are so obvious *that I have long ceased* to marvel at the lack of perception of other writers and have assumed them to be politically biased.

Perhaps it is this bias amongst some economists that causes so much dangerous nonsense to be disseminated.

B. M. Weigold.
11 Mills Way, Hutton, Brentwood, Essex.

Cheap energy policy

From Mr. Robert Webb

Sir,—The advantages and *feasibility of a cheap energy* policy have surely not received as much serious discussion as they deserve as a means of (a) making available to the UK population its North Sea windfall; (b) contributing to the stabilisation of retail prices; and (c) helping our industry to survive.

Since international oil prices are fixed by monopolistic and political forces and not by a free market, there is no reason for the Government to assume that these forces should determine domestic energy price levels.

The announcement of a cut *in domestic energy prices* would be good for sterling (i.e., bring its value down), for industry, for households, and—dare one say so—for the morale of all of us who believe in "honest money." It may be hard to square such a move with the present medium-term strategy, but we must not turn the strategy into a strait-jacket.

Common sense suggests that North Sea oil should be a Good Thing. Have the oil companies, the miners and the ecology lobby combined to persuade the Government that energy is scarcer than it really is?

I have heard that electricity is to cost more because we are not using enough. Or is the new mercantilism of maximising the State's revenues from monopoly stakes of oil, gas, coal and electricity the accepted doctrine of the Government? I *don't think Adam Smith would* have approved.

Robert Webb.
Moulton Grange, Pitsford, Northampton.

A compromise for the banks

From D. A. Tolman

Sir,—We have heard a great deal of talk in political circles about the possible introduction of legislation to curb the excessive profits made by the banks during periods of high interest rate. While disapproving of any such legislation, my own observations lead me to suspect that a compromise of insisting that banks quote real rather than nominal interest rates may shame the banks into regulating their own profits.

My company recently arranged a bank loan to purchase a new computer. The rate of interest was fixed at 2½ per cent over the Interbank rate. At the end of each interest period, the bank quote a "nominal" rate for the next interest period which may be 1, 3, 6, 9 or 12 months. However, it is only in the case of a *12 month period* that the nominal and real rates coincide.

The effect of this policy was in our case accentuated by our tendency to choose short interest periods when rates are high in the hope that they may soon fall. On one occasion, we had to choose an interest period on a *day* when the monthly Interbank rate peaked at 19¾ per cent which led to the bank quoting a nominal rate of 21¼ per cent. However, the effect of monthly compounding produces a true rate of not 21¼ per cent but 24.21 per cent.

How much of the banks' excessive profits come *from a* hidden interest surcharge, in this case amounting to more than 3 per cent, and if forced to quote a real rate, would the bank really have quoted 24.21 per cent?

D. A. Tolman,
Managing director,
Beaufort Computer Services.
Whitfield Street, Gloucester.

Electricity and advertising

From Mr. W. L. Wilson

Sir,—Mr. E. Smith (May 30) should not really be surprised at the advertising campaigns of electricity boards. After all, they still promote the sale of electrical space-heating devices in the full knowledge that for every 100 lb of hard-won oil, coal or gas, only 25 lb equivalent appears at the heating unit itself.

The remaining 75 lb is, of course, lost in a fairly expensive and complex way at power and substations and in cable networks. And naturally enough, at the Isle of Grain.

W. L. Wilson.
"Oakwood," 34, Chestnut Avenue, Chorleywood, Herts.

Roy Jenkins' challenge

From Mr. John Booth.

Sir,—What a curiously prejudiced leading article (June 10) about Mr. Roy Jenkins' speech to political journalists. It is precisely because the present Government under Mrs. Thatcher are challenging the centrist *consensus of the last* few decades that a political response to that challenge, likely *to appeal to a substantial* proportion of the electors, is urgently needed.

The Labour Party clearly is unlikely to provide a satisfactory response. An attempt next year, at Mr. Jenkins' instigation, to create some credible and attractive alternative to Mrs. Thatcher might falter and fail, but should not on that ground be discouraged, nor on the ground that current Conservative policies, themselves radical, have not been sufficiently tested.

Surely we want more free enterprise, not less, in political policy-making and political initiative?

John Booth.
Elm Tree Cottage, Abbington, Gloucestershire.

Today's Events

GENERAL

UK: Lord Scanlon, Engineering Industry Training Board chairman opens Leyland Vehicles' new £32m truck assembly plant, Leyland.

Mr. Cecil Parkinson, Trade Minister, speaks at conference on tackling the problem of imports, London.

Mr. Neil Kinnock, Shadow education spokesman, and Miss Jo Richardson, speak at Barking Labour Party meeting.

Mr. Enoch Powell speaks at Foyles Literary lunch, Dorchester Hotel, London.

Sir Denis Rooke, British Gas Corporation chairman, speaks at Women's Gas Federation conference, London.

Association of Investment Trust Companies launch annual yearbook.

Mr. Bernard Coral and 38 others appear at Marlborough Street Magistrates Court on charges of conspiracy to pervert the course of justice, and other charges.

Sir Peter Gadsden, Lord Mayor of London, attends British Field Sports Society dinner, Mansion House.

Massed bands display, Royal Regiment of Artillery, Horse Guards Parade, 6 pm.

Overseas: Common Market Heads of Government two-day meeting opens, Isola San Giogio, Venice.

PARLIAMENTARY BUSINESS

House of Commons: Supply debate on disablement until 7 pm. Supply day debate on construction industry. Motion on Diocese in Europe Church Measure.

House of Lords: Employment Bill, committee. Pool Competitions Act Order.

Select Committees: Welsh. Subject: Employment opportunities in Wales. Witnesses: Officials of Department of Industry. Sir Keith Joseph, Industry Secretary. Room 16, 10.30 am and 4.30 pm. Home Affairs. Race Relations and Immigration Sub-Committee. Subject: Racial disadvantage. Witnesses: Department of Health and Social Security. Room 15, 4.30 pm.

COMPANY MEETINGS

See Company News on Page 26.

COMPANY RESULTS

Final dividends: Amber Industrial Holdings. Brent Walker. Chloride Group. Crosby Spring Intérieurs. James Finlay. Hill Samuel. Mansfield Brewery. Staveley Industries. "The Times" Veneer. Uko International. The Valor. *Interim dividends:* Thomas French. Saatchi and Saatchi. United Spring and Steel Group.

Steel strike wipes £13m off Metal Box profits

THE SECOND-HALF 1979-80 performance of Metal Box was hit severely by the steel strike in the last three months of the period, which is estimated to have cost the packaging container and central heating equipment group around £13m in lost profits.

As a result, second-half taxable profits dropped from £27.2m to £25.87m, which left the figure for the year ended March 31, 1980, showing only a 3 per cent increase at £59.84m, compared with £58.23m.

Group sales for the 12 months climbed nearly 22 per cent to £1.12bn, of which home sales accounted for £676.5m (£602.7m) and overseas £445.5m (£319.9m).

Mr. D. I. Allport, the chairman, reports that at home the group had a satisfactory period of trading until the end of December, when the strike at the British Steel Corporation cut off supplies for the remainder of the 1979-80 year and seriously affected profits from the open top and general line divisions' metal packaging business.

Good results from the Stelrad division, augmented by results of the Aga radiator business acquired on October 1, and an improved performance in the paper and plastics division could not make up for these lossses, he states.

Record profits were achieved overseas with particularly satisfactory results from Italy, Nigeria and South Africa. In the U.S., the Risdon, Simplimatic and Metal Box-Standun subsidiaries each did better than forecast.

During the year, the group reduced its holding in the Indian company which ceased to be a subsidiary on December 31 and its results from that date are no longer consolidated.

Profits before tax and interest rose 13 per cent from £70.52m to £79.6m for the year. UK performance fell some 9 per cent, but this was more than offset by the 32 per cent increase from overseas subsidiaries, while associates' contributions showed a turnround from £166,000 losses to £2.1m profits.

Group interest charges for the period soared from £12.3m to £19.76m.

A divisional breakdown of sales and profits shows respectively (in £000s): open top £307,852 (£288,196) and £5,696 (£14,580); general line £147,728 (£138,415) and £10,418 (£11,495); paper and plastics £107,677 (£85,511) and £5,569 (£2,706); engineering £37,096 (£32,175) and £2,031 (£2,454); overseas £405,070 (£299,049) and £41,971 (£31,555); Stelread £116,587 (£79,249) and £13,917 (£7,731).

Mr. Allport says the forward picture is cloudy but it is anticipated that good progress overseas will be made. At home, however, the prospects of a sharp downturn in the economy, the high cost of money and continuing high inflation will create difficulties. Overall prospects must, therefore, remain uncertain.

While the first half of the current year will be affected by the aftermath of the steel strike, it is thought that the year as a whole will show an improvement. April was "a poor month."

The chairman says the steel strike will have consequences long after normal work has been resumed and again brings into question the group's buying policy of concentrating its purchases of steel for home operations almost exclusively from British Steel.

In addition, it has increased the necessity for making future can lines, as far as possible, versatile to the extent that they can use either tinplate or aluminium as a raw material. This versatility has been specifically designed into the two new lines at Carlisle for which capital expenditure has recently been authorised.

The group has achieved continuous shift operation at its new technology two-piece can lines. Although the impact has been obscured in financial terms, Mr. Allport comments that the effect has been dramatic so far as output is concerned.

Using SSAP 16 principles, group pre-tax profits were down £41.7m to £18.1m for the year, compared with a £29m reduction to £29.2m last time.

Yearly earnings per £1 share are shown lower as 47.8p (57.3p) but the dividend total is stepped up from 18.09p to 20.3p net with a final of 11.83p.

Tax charge rose from £15.35m to £18.61m and after minorities and extraordinary debits, available profits were down from £32.38m to £30.69m. The retained surplus emerged at £15.43m, compared with £19.83m.

Net expenditure on fixed assets in the year, at home and overseas, was £93.6m, which included £10.7m on acquisitions. Capital spending is being looked at "very carefully" this year and is expected to be lower.

Share capital and reserves at the year-end were up from £303.43m to £325.06m. Loans and net borrowings reached £130.06m (£106.38m).

Metal Box S.A., the 58.1 per cent-owned South African subsidiary, improved sales volumes in most sectors of its business and on turnover up 27 pe rcent to R273.6m, net operating income increased 46 per cent from R17.6m to R25.7m for the 1979-80 year.

Earnings per share rose from 33.4 cents to 47 cents and the dividend is up to 30 cents (25 cents).

Sales were helped by a very good deciduous fruit crop in the Western Cape, but this was partly offset by poor can sales to fish canners at Walvis Bay, Namibia; since the year-end the loss-making Walvis Bay can manufacturing plant has been closed.

To offset sales fluctuations to canners who are dependent on cyclical agricultural crops, the company has steadily diversified into other packaging areas.

Although significant progress has been made, the precision engineering and packaging machinery division has still to reach profitability, but there is confidence that this is not far away.

Lex, back Page

Industrial services put Hanson 29% ahead

A SHARP rise in performance by the UK industrial services side helped push half-time taxable profit at Hanson Trust up 29 per cent. And Sir James Hanson, the chairman, says that all indications are for the trust to produce increased profit for the year to September 30, 1980.

For the six months to March 31, the pre-tax result was ahead from £12.5m to £16.1m and the net interim dividend is being stepped up to 3.75p (3.3275p)—an effective 46 per cent increase on capital enlarged by last July's one-for-two rights issue. Last time a total of 7.3275p was paid on record profit of £31.2m.

With tax for the half year taking £6.1m (£5.3m) stated earnings per 25p share were 2p better at 9p. Net assets at March 31 amounted to 106p, against 100p six months earlier.

At the operating level the surplus rose from £14.1m to £19.2m on sales of £365.8m (£345.1m). The advance was derived entirely from industrial services where, in the UK, profit was £4.4m ahead at £9.2m on sales of £98.6m (£40.2m) and in the U.S. £0.8m higher at 5.7m on £132.9m (£120.8m) sales.

The agriproducts activities were little changed with a marginal decline to £3.8m (£3.9m) on £120.4m (£170.5m) sales in the U.S. and £0.5m again on £13.9m (£13.6m) sales in the UK.

Lindustries, acquired last year, contributed a full six months profit to the results and its integration into Hanson's different divisions has been completed, the chairman explains.

Sir James says the trust's philosophy of investment in basic industries on both sides of the Atlantic enables it to respond to the recession in the U.S. and expected tougher times in the UK with continuing confidence.

The midterm balance sheet, compared with the previous year end, shows cash and deposits down at £37.2m (£43m) and listed securities with market value of £11.5m (£8.4m), while bank overdrafts stood at £24.3m (£19.8m) and current loan instalments £4.2m (£5.4m).

Profit was struck after parent company expenses and interest costs less property and other income of £3.1m (£1.6m).

The expected U.S. recession affected Interstate's food services business following lay-offs in the motor industry but results improved in its volume services division, catering to the non-business sector. Carisbrook did better than anticipated.

Hygrade's results were encouraging but the currently lower pork products prices may affect margins in the second half. Seacoast's record catch helped offset increased operating costs. The current fishing season has started well but fishmeal prices are presently lower, Sir James states.

In the UK, Lindustries' loss-maker, Cowlishaw Walker, has ceased trading, but Lindustries' results overall were encouraging despite the engineering and steel strikes.

SLD Pumps, with a record half-year profit, is responding well to new capital investment, the chairman says.

Butterley, with record interim figures, continues to gain a larger share of its market and has a strong order book and low stocks. There is slower demand for Barbour Campbell's synthetic thread interests, but linen thread produced a useful performance.

At British Agricultural Services farm machinery demand was still below normal. The mild winter did not help the feedstuffs and milling companies but confidence for future growth remains constant, Sir James adds.

HIGHLIGHTS

The complicated details of the reorganisation of News International were released yesterday. Lex examines these and comments on the outlook for the company after their implementation. Lex discusses two major company stories with figures from Metal Box and Hansen Trust and then moves on to consider the Take-Over Panel's statement on Saint Piran. Rowe and Pitman carried out another "dawn raid" yesterday, this time on Marshall Cavendish, and dealings in South West Consolidated got off to a poor start.

Rally too late for 600 Group

THE engineering and steel strikes cost an estimated £2.75m in lost profits, says Sir Jack Wellings, chairman of the 600 Group in his report. The forecast of a second half recovery was borne out, but the figures were still down on the corresponding period last year at £6.09m against £8.28m.

Pre-tax profits for the year to March 31, 1980, dropped from £11.89m to £9.66m after depreciation virtually unchanged at £2.66m against £2.67m, and interest down from £1.91m to £1.6m. Turnover fell from £197.62m to £190.79m.

With tax substantially lower at £637,000 against £5.8m, profit attributable came out at £8.32m compared with £9.38m, after exchange differences of £353,000 (£609,000), minorities £297,000 (£349,000) and an extraordinary debit of £53,000 against a credit last time of £4.24m.

Stated earnings per 25p share of this machine tool manufacturer, engineering products and services, materials handling and metal recovery group, rose from 12.6p to 19.2p, and the final dividend is raised from 2.634p to 2.91p for a total of 5.25p (4.6694p).

Commenting on the group's figures, the chairman says the tax charge includes full provision for possible future liabilities, but credit has been taken for stock relief of £4.42m. The overseas tax charge was £1.08m (£766,000).

He says the principal extraordinary items are costs in connection with the closure of a subsidiary amounting to £550,000 less net surplus on disposals of interests in property £283,000 and the subsequent tax relief.

A breakdown of invoicing and trading profit by divisions shows (in £000s): iron and steel products and services £86,360 (£98,771) and £1,032 (£2,287); machine tools £77,539 (£72,706) and £7,090 (£8,047); other engineering products and services £26,886 (£26,145) and £1,424 (£1,562).

● comment

600 Group has all but met its interim forecast despite the effects of the subsequent steel dispute and the shares responded yesterday with a 3½p rise to 59½p. The effects of the BSC shut-down, costing a conservative £750,000, barely touched the manufacturing activities but fell rather on the iron and steel products division. Even so, the underlying level of profits from scrap is down and it would be difficult, in current circumstances, to envisage much organic recovery. Construction equipment order books are holding up, even if only in money terms, and the core of the group is based, as ever, on machine tool manufacture, representing 74 per cent of total pre-tax profits. Given the predominance of centre lathes production, the market is undoubtedly right to question seriously the reasons for the current rationalisation at Colchester. The group still appears tolerably relaxed about its machine tool order books but the relative contribution from merchanting does seem set to grow. The deals struck with Causing and, latterly, SCM may be the forerunner of similar ventures and it is possible that 600 will switch its emphasis further into distribution and, conceivably, into new product areas. Cash resources are certainly available after the stockholding disposal but, for the moment, a fully taxed p/e of 5.9 and a yield of 13.25 per cent reflect the market view that this will probably be a year of consolidation.

Upsurge at Continuous Stationery

AN ADVANCE from £123,172 to £261,040 in the second half helped lift pre-tax profits of Continuous Stationery to £449,635 for the year ended March 31, 1980, compared with £246,448 previously.

Turnover of the computer stationery printer rose from £2.75m to £3.55m.

The net total dividend is stepped up to 4.3p (2.78p), with a final of 3.4p, and a one-for-one scrip is also proposed. Earnings per 10p share are shown well ahead at 8.79p (4.69p), after tax of £229,725, against £129,210.

With dividends absorbing £107,500 (£69,500), the retained balance came through substantially higher at £112,410 (£47,738).

Nottingham Brick up midway

INCLUDING RESULTS of Maltby Brick Company, taxable profits of Nottingham Brick Company expanded to £271,020 for the six months ended March 31, 1980, compared with £204,677. Turnover surged by 124 per cent to £2.28m.

Mr. W. David Crane, chairman, says group results are, in part, due to the better winter weather. The directors accept that the company cannot hope to remain immune from the effects of the present cutbacks in the construction industry, but they remain confident in Nottingham's future progress.

Pre-tax profits for the 1978-79 year, including Maltby from June 18, 1979, totalled £641,455 from turnover of £3m.

The interim dividend is effectively increased to 2p net per 50p share, against an equivalent 1.78p—last year's final was 4.24p adjusted.

Trading profits for the first half were boosted from £194,378 to £315,189 but there was interest of £44,169 payable, compared with £10,299 receivable.

● comment

An acquisition and a mild winter have combined to more than double first half sales at Nottingham Brick, but trading margins have slipped by over five points. This is mostly because the new Maltby company is less mechanised than Nottingham and produces a lower return. Interest charges on the Maltby acquisition have held the pre-tax rise to 32 per cent. The second half is likely to be very difficult since the good weather has considerably reduced the normal order back-log and the outlook for housing starts is far from bright. Nottingham is planning to modernise the Maltby plant but the benefits of this will not show in the current year, so profits may not exceed £600,000. This would leave the shares, up 10p at 185p yesterday, on a heady fully taxed multiple of 15. The prospective yield is around 5.3 per cent.

Fraser 'missed bargain'—Lonrho

LONRHO, the international trading conglomerate and the largest shareholder in House of Fraser, has said that it put forward a proposal to Fraser for the purchase of an English company valued at £12m-£14m, but got no response.

The claim is made in Lonrho's fifth circular to Fraser shareholders urging them to support Lonrho's special resolution which seeks to increase Fraser's final dividend by 50 per cent to 6p. Lonrho refused yesterday to name the company concerned.

In the circular Lonrho asks what benefits Fraser has had from Lonrho's two existing directors who sit on the Fraser Board.

"None, of course, because Fraser's won't consider anything except buying more and more outlying department stores," Lonrho says. "Among many, the most substantial of the proposals we have put forward was an opportunity to buy a valuable English company, nationally known and dovetailed to Fraser's interests for £12m to £14m."

"The confidential figures, which were formally handed to Sir Hugh Fraser, remained with him for six weeks and never reached his board. The seller withdrew. An excellent bargain was missed: that company is now worth millions more."

Lonrho, which holds 29.99 per cent of Fraser, tells shareholders that Fraser directors have stated that Lonrho wants "creeping control without spending a penny for it."

Lonrho says: "We certainly didn't want to spend £70m on the basis of the chairman's assurances and get nothing for it, while that chairman continued to be a regular and heavy seller of his own Fraser shares."

Lonrho is seeking to increase its representation on the Fraser board from two directors to six: "We don't consider six directors out of 15 (or 18) "control." We do consider £70m worth looking after."

House of Fraser dispatched its final circular to shareholders yesterday ahead of the annual general meeting on June 19 at which the Lonrho proposals will be voted upon. The circular urges shareholders to vote and reject the Lonrho proposals: 'If you do not vote you are effectively supporting Lonrho."

Everards confident for year

THE FIRST half-yearly results published by Everards Brewery, covering the 24 weeks to March 15, 1980, show a pre-tax profit of £629,300 from sales of £5.93m. In the last full year, this brewer, bottler, soft drink manufacturer and hotel proprietor with close company status, turned in profits of £1.29m from £11.96m turnover.

Buoyant trade in the first half has levelled off in the last six weeks, say the directors. But they remain confident that costs on current trading can be controlled to maintain a comparable full-year result.

After six months' tax of £334,000 and an extraordinary credit of £135,700, the net surplus emerges at £431,000.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Bankers' Inv. Trust	1.74‡	Aug. 31	1.38	3.39‡	2.88
Churchbury Ests.	6.5	July 12	4.73	9	6.7
Continuous Stationery	3.4	Aug. 5	1.88	4.3	2.78
Hanson Trust	3.75†	July 23	3.33	—	7.33
Metal Box	11.83	July 25	10.72	20.3	18.09
Nottingham Brick ... int.	2	Aug. 15	1.78*	—	6.02*
Rowlinson Constructions	0.43	—	0.43	0.61	0.61
600 Group	2.91	Aug. 1	2.63	5.25	4.67
Tern-Consulate	2§	July 28	1.85	4§	3.6
U.S. & Gen. Tst. ... int.	4	July 15	3	—¶	10.29

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Plus special non-recurring 0.47p. § For 13 months. ¶ Final of not less than 5.61p forecast.

Churchbury Ests. earns and pays more

Pre-tax profits of Churchbury Estates, property investment concern, rose by 12.3 per cent from £390,508 to £438,529 for the year ended March 31, 1980, and the total net dividend is stepped up to 9p, against 6.704p with a final of 6.5p per 25p share.

Mr. Oliver Marriott, chairman, says in his annual review that directors expect, in the light of current earnings, that dividends will be increased in the current year.

Rental income amounted to £603,908 (£581,084) and profits were subject to tax of £305,429 (£203,357) leaving a distributable income of £233,100, compared with £187,151.

Dividends will absorb £144,000 (£107,274) leaving £89,100 (£79,877) retained.

Capital profits after capital charges and tax came to £1.27m (£170,225), with a similar amount being transferred to capital reserve.

Earnings per share are shown as 14.57p, against 11.7p.

With a view to increasing the directors' flexibility as to investment policy, they are proposing certain changes to the company's 8 per cent unsecured loan stock provisions.

Mr. Marriott says the essential benefits for the shareholder are that the property investment policy may be more varied, and that up to 50 per cent of assets may be invested in listed securities.

In consideration of the modifications the directors propose that the rate of interest payable on the stock is increased to 9 per cent with effect from and including April 1, 1980, and that the stock should, unless previously redeemed, be redeemed at par on March 31, 2000.

Alliance Assurance Company, the Trustee for the stockholders, says it has no objection to the proposals.

Group balance sheet as at March 31, shows shareholders' funds of £6.3m (£4.94m); short-term deposits and bank balances of £1.45m (£294,476).

An EGM to sanction the loan stock proposals will be held immediately after the annual meeting, which is to be held at 12-13, Henrietta Street, W, on July 9, at 10 am.

Poor first day for South West Consolidated

Shares of South West Consolidated Minerals plunged to 43½p when dealings began yesterday morning, despite being 5.5 times oversubscribed when offered at 50p last week.

Jobbers said shares in the south west England mineral exploration company recovered slightly and traded at the 47p-48p level for most of the day, closing at 48p.

"The stags overdid it," one jobber said. However, there was also said to be considerable buying interest. "Every Tom, Dick and Harry was there," another jobber said.

Brokers to the issue, Rowe Rudd, said about 25 to 35 per cent of the 5.5m shares in the offer changed hands.

Mr. Tony Traill, an associate member of Rowe Rudd responsible for the issue, said it was "surprising" that the issue went to a discount after being oversubscribed. "But the closing was favourable, I would have thought."

Mr. Traill said the firm did "a little buying" in support of the issue.

Mr. Max Lewinsohn, chairman of Dundonian, which retains a 75 per cent interest in South West Consolidated, was also surprised but said he was confident the shares would suit genuine investors more than the stags.

Dundanian's shares closed 7p lower at 69p.

UTD. CAPITALS

The liquidator of United Capitals Investment Trust is making a first distribution in cash to shareholders of 20p per share on June 18.

SPAIN

June 11	Price %	+ or −
Banco Bilbao	218	+6
Banco Central	247	+5
Banco Exterior	214	+4
Banco Hispano	220	+6
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	266	+6
Banco Urquijo	150	
Banco Vizcaya	229	+6
Banco Zaragoza	200	
Dragados	81	+1
Espanola Zinc	61	
Fecsa	63.2	−0.3
Gal. Preciados	29.5	+0.8
Hidrola	66.7	−0.5
Iberduero	65.2	+2.3
Petroleos	107	−0.5
Petroliber	64	
Sogefisa	107	
Telefonica	57.2	+1.2
Union Elect.	63.7	−0.3

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1979-80 High	Low	Company	Price	Change	Gross Div. (p)	Yield %	P/E
99	59	Airsprung	64	+1	6.7	10.5	3.8†
50	26	Armitage and Rhodes	30	−1	3.8	12.7	2.0†
285	185	Bardon Hill	278	−3	13.8	5.0	8.2†
100	78	County Cars 10.7% Pf.	78	—	15.3	19.6	—
101	63	Deborah Ord.	92	—	5.0	5.4	10.1
125	88	Frank Horsell	117	—	7.9	6.7	7.3
129	90	Frederick Parker	90	−1	12.8	14.2	4.1†
156	102	George Blair	102	−1	16.5	16.2	—†
75	45	Jackson Group	72xd	+1	6.0	8.3	2.7†
153	103	James Burrough	104	+1	7.2	6.9	9.1
300	242	Robert Jenkins	300	—	31.3	10.4	9.5†
232	175	Torday	217xd	—	15.1	7.0	3.7†
34	11½	Twinlock Ord.	14	—	0.8	6.0	2.7†
80	70	Twinlock 12% ULS	78	—	12.0	15.8	—
56	23	Unilock Holdings	49	—	2.6	5.3	10.4
50	45	Unilock Holdings New	45	—	—	—	8.8
95	42	Walter Alexander	83	—	4.4	4.7	6.2
212	136	W. S. Yeates	212	—	12.1	5.7	3.4†

† Accounts prepared under provisions of SSAP 16.

New £175m Beatrix gold mine gets go-ahead

BY KENNETH MARSTON, MINING EDITOR

General Mining Union Corporation group is to go ahead with the development of a new gold producer, Beatrix Mines, in the far southern part of South Africa's Orange Free State comes with news that following the now completed feasibility study application is to be made for a mining lease.

The normally cautious group was clearly confident that the feasibility study would come up with the right answers because in order to save time and avoid undue escalation in construction costs it started pre-grouting work on the two proposed shaft sides in December last year.

As already announced, Beatrix is destined to become a relatively low grade gold operation worked on a fairly large scale. It will have a working life of over 20 years on the basis of a planned mining rate of 2m tonnes of ore per year. Production is expected to start within five years.

The gold grade will be around a modest 6 grammes per tonne of ore and the gold bearing reef lies at an average depth of some 1,000 metres. This turns out to be less deep than was thought likely earlier on the basis of projected capital cost estimates of R400m (£219m). The group now puts the likely cost of the mine at R320m (£175m) in today's terms.

Beatrix, which will provide jobs for some 550 white and 7,000 black workers, should do well if gold prices stay at anywhere near current levels. As a very broad comparison with an existing gold mine, it is roughly similar to the group's Kinross which has a slightly higher ore grade but has a lower milling rate of 1.6m tonnes a year.

Cyprus Anvil to open two new mines

CANADA'S Cyprus Anvil Mining is to spend about C$240m (£89m) over the next eight years to develop two new lead-zinc mines in the Yukon. The new mines are at Grum and Vangorda, near Cyprus Anvil's existing mine at Faro.

The development programme calls for ore from the Vangorda mine to be milled concurrently with that from Faro from 1985, with ore from Grum being added in 1988.

The significantly higher metal content in the Grum and Vangorda deposits makes combining the mining and milling of ore from these sources with the Faro reserves economically attractive, Cyprus Anvil said yesterday.

The existing Anvil mill will require substantial modification to permit the milling of ores with variable characteristics. This is expected to be completed by the end of 1981, and will involve no increase in the current capacity of 3.4m tonnes per year.

The project will extend open pit mining in the Anvil district from 1989 to 1997. Cyprus Anvil estimates reserves in the Faro, Grum and Vangodra deposits at 51m tonnes of 3 per cent lead, 4.7 per cent zinc and 41 grammes per tonne of silver.

Rising costs hit Geevor Tin

CORNWALL'S Geevor Tin Mines reports a pre-tax profit for the year to March 31 of £714,000 compared with £1,023,000 in the previous 12 months. After deducting interest of £317,000 (£269,000) and tax of £165,000 (£202,000), the latest earnings per share come out at 18.9p against 31.4p for 1978-79.

A final dividend is declared for 1979-80 of 5.6p which makes a total for the year of 8.4p. For the previous year the total was 8.71p which included a third interim of 3.14p paid after the removal of UK dividend restraint.

The Cornish mine's production increased slightly in 1979-80 while the average tin price received will have been higher in line with the London Metal Exchange average of £7,396 per tonne against £6,948 in the previous financial year.

Against this background, the lower pre-tax profit in the latest period reflects rising costs which have been running at up to 25 per cent above those of the previous year.

Unless there is to be a higher tin price in the current year—and this seems unlikely at the moment—Geevor could be heading for a further fall in profits. The shares lost 10p to 200p yesterday.

ESSO JOINS GOLD VENTURE

Esso Exploration and Production Australia, a subsidiary of America's giant oil company Exxon, is to participate in a gold project in Queensland with Samantha Exploration, Samson Exploration and Buka Minerals.

The three companies each own one third of the prospect at Bimurra, about 100 miles west of Mackay on the coast of Queensland. Esso will repay all exploration expenditure to date, and has the right to acquire a maximum 50 per cent of the venture by funding all future exploration.

News of the deal encouraged heavy buying of shares in Samantha and Samson yesterday. The latter jumped 17p to 86p and the former 18p to 126p. Buka Minerals, a narrow and little traded market, held steady at 17p.

LEICHARDT'S GEM DIAMOND

LEICHARDT'S GEM DIAMOND

Australia's Leichardt Exploration reports that it has recovered an 8.6 carat octahedron diamond of gem quality from its wholly-owned farms "C" and "D" at the Reads Drift prospect in the Herbert district of South Africa's Cape Province.

The company says that the first stage of the 100 tonnes per hour treatment plant has passed its initial test run. This first stage has a capacity of 40-50 tonnes and the second stage with a similar capacity is expected to start production in July.

Overburden removal was sufficiently completed to allow mining of the basal ore gravels to begin on June 5 and the fair-sized diamond was recovered on Monday. Leichardt adds that a further report on the Reads Drift prospect will be issued in its next quarterly report.

Farms "C" and "D" are wholly-owned by the company's South African subsidiary, subject only to the payment of gross royalties equal to 10 per cent of the selling price of all precious stones discovered. The prospect is separate from the company's Mopani joint venture with Selection Trust at Reads Drift.

In London yesterday, shares of Leichardt were unchanged at 260p.

ROUND-UP

Uranium production has started at Queensland Mines' Nabarlek site in the Northern Territory of Australia. This follows the completion of the ore mill at the site with the help of A$75m (£37m) loan from two Japanese power utilities, Shikoku Electric Power and Kyushu Electric Power, who are customers for the estimated 12,000 tonnes of uranium oxide which has already been extracted from the mine.

MMC tin mines produce less

Output of tin concentrates from the Far Eastern mines in the Malaysian Mining Corporation fell to 1,264 tonnes last month, compared with 1,282 tonnes in April and 1,554 tonnes in March.

The decline in output mainly reflects lower production at three of the major mines in the group, namely Berjuntai, Malayan Tin and Southern Malayan.

Only two of the other mines are showing production increases on the comparative periods last year.

Aokam's output for the last 11 months total 1,646 tonnes against 1,346 tonnes in the same period in 1978-79, while Malayan Tin has produced 3,068 tonnes in the 11 months' period compared with 2,964 tonnes in the corresponding period in 1978-79. The latter's May output is the lowest since May, 1978.

Production at Berjuntai fell to its lowest level since December, 1978, despite the resumption of operations last month by the No. 4 Dredge; the mine's No. 8 Dredge was shut down from May 19 to May 29 for major repairs.

Output for the past 11 months at Southern Malayan totals 1,924 tonnes compared with 2,147 for the same period last year; the May figure at the mine was the lowest for 10 months. Latest outputs are detailed in the accompanying table.

Tanjong continues to do well with output for the five-month period totalling 97 tonnes against 70½ tonnes during the same period last year.

	May tonnes	April tonnes	Mar. tonnes
Aokam	145	129	133
Ayer Hitam	162	108	167
Berjuntai	297	305	351
Kamunting	6	12	14
Kramat	22	15	32
Kuala Kampar	22	28	24
Lower Perak	23	19	21
Malayan	205	229	299
S. Kinta Cons.	116	103	128
Sth. Malayan	147	168	189
Sungei Besi	117	108	166
Tongkah Harb.	45	16	31
Tronoh Mines	135	126	132

	May tonnes	April tonnes	Mar. tonnes
Gopeng	144½	145¼	161½
Tanjong	25½	38	15¾
Idris	18	15¾	18¼
Pengkalen	14½	16¼	13¼

The Malaysian mines in the Gopeng group are faring better than their counterparts in MMC.

The major producer, Gopeng, has produced 1,278¾ tonnes of tin concentrates in the past eight months, compared with 1,282½ tonnes in the corresponding period last year, while output of 120¾ tonnes for the eight months to the end of May at Pengkalen is well ahead of the 101¼ tonnes produced in the comparable period in 1978-79.

Dawn raid from the East on Marshall Cavendish

BY ROBERT COTTRELL

A SURPRISED market saw stockbrokers Rowe and Pitman scoop up 27 per cent of the shares of publisher Marshall Cavendish in a £1.38m "dawn raid" yesterday. The brokers, paying 25p for 5.5m shares which closed at 17p on Tuesday, were acting on behalf of Singapore's Times Publishing Berhad, which says it wants to expand the British company's export potential, and does not plan a full bid.

Times is one of South-East Asia's leading publishing groups, with 1979 pre-tax profits of £3.7m on a £33m turnover. It is already a local distributor for some £500,000 annually of Marshall Cavendish publications, mainly partworks like Good Cooking and New Man and Woman which are encyclopaedic reference books sold in magazine-size sections. It had previously held no shares in Cavendish.

Times is in an expansionist phase, having recently bought a 40 per cent stake in the Bangkok Post, and a number of small Australian companies. It wants to increase its distribution of Marshall Cavendish products.

"We feel there is a good market, and we're in a position to assist them. We've recently moved into Bangkok and Australia, and we could push a lot more through," said a Times spokesman in Singapore.

Marshall Cavendish has fallen on lean years. Pre-tax profits in 1979 were £272,000, the worst in the company's history, against £1.7m in 1978.

Its most profitable activity remains partworks, but the division was severely hit by last autumn's commercial television strike. The company has found television the only efficient promotional medium, and concentrates its advertising during August and September when advertising rates are low. The postponement of two partwork launches cost it some £500,000.

The company lost more than £300,000 on book publishing, where the strength of sterling crippled important U.S. sales. Its record company also lost money, and faces a review of its future if it fails to reach the black in the current year. Times, which has record interests, sees this as a further area for a mutually beneficial closer relationship.

The current year has been smoother in Marshall Cavendish's partwork division, with the result that the strength seen in a £400,000 first quarter profit has apparently been sustained through the half. But even a full-year out-turn of £1.6m would leave the company well behind its 1977 heyday when pre-tax profits topped £3m.

Marshall Cavendish chairman Mr. George Amy said immediately after the raid that it was "a bolt from the blue, and nothing to be pleased about." It was not the desire of Times to expand Cavendish's exports which upset Mr. Amy, but the precipitate nature of the overture.

"Why didn't they come round to talk about trying to exploit that potential?" he said yesterday morning. "You don't do it just by acquiring a minority interest." The two parties had an amicable meeting later in the day, and the first business meeting is set for next month.

The decision to move in on the shares was part of a general policy "to spread our interests," said Times. "There is no intention of buying all of Marshall Cavendish, we've got exactly what we wanted."

The 25p purchase price compares with a net asset value per share of 22p on the 1979 balance sheet, and represents a multiple of 42 times last year's fully-taxed earnings. The shares closed yesterday at 22p.

FISONS' BIG STAKE IN CHARNWOOD

Fisons' pharmaceutical division has reached agreement with the two regional pharmaceutical wholesalers, Butlers of Leicester and Daniels of Derby, to purchase the major part of the business of Charnwood Pharmaceuticals.

Fisons intends to continue trading as Charnwood Pharmaceuticals for the present.

Hamilborne deal to lift assets

Hamilborne, the erstwhile brickworks now being transformed into an energy company, should have net assets of 27.5p a share after the restructuring, compared with 20.1p at the last balance sheet date, according to outgoing chairman, Mr. Graham Ferguson Lacey.

The information is contained in a pro forma balance sheet accompanying details of the partial reverse takeover of Hamilborne by Mr. Paul Temple and Mr. Allen Allan, both of the U.S., through their Bermuda-owned company Energy Capital. Hamilborne will change its name to Energy Capital if the deal is approved by shareholders.

The pro forma figures reveal that some £1.7m-worth of energy interests owned by the two men are to be injected into Hamilborne in return for a share and cash package which will ultimately leave them with 36 per cent of the equity. Mr. Ferguson Lacey's stake will reduce to 28 per cent as a result and he will vacate the chair in favour of Mr. Temple.

The terms of the deal mean that the shares are being issued at a price equivalent to 37p compared with a market price for Hamilborne, when it was suspended, of 80p. However, Mr. Ferguson Lacey and Hamilborne's advisers, Arbuthnot Latham, regard the price as fair and reasonable "in relation to the existing net tangible assets of Hamilborne and in view of the size of the acquisition proposed."

Current assets of Hamilborne will reduce from £336,000 net to £18,000 if the deal goes through and cash in hand from £265,000 to £71,000.

One complication involved the sale of the original brickworks. This was to have been sold to Mr. R. Walker, its present manager, but he has withdrawn from the purchase and Mr. Ferguson Lacey and his partner Mr. Cecil McBride have now agreed to buy the works privately for £115,000 in cash, phased over two years. The brickworks lost £18,524 pre-tax last year, though the attributable loss was reduced to £847.

In another corollary to the deal, Mr. Ferguson Lacey and Mr. Temple are to benefit from technical services agreements relating to the energy injections. Hamilborne will commission technical energy services from Harris Energy Corporation of Colorado on a "project-by-project basis." Hamilborne and Mr. Temple own 10 per cent each of Harris and Mr. Ferguson Lacey is a director of the Denver company.

GUINNESS PEAT LIFTS LINFOOD HOLDINGS TO 20%

Guinness Peat Group has purchased an additional 2.04m Linfood Holdings ordinary shares, bringing its stake in the compan yto 8.81m shares, or 20.02 per cent.

A total of 1.69m of the shares were taken as its entitlement under the terms of a recent rights issue, with the balance of 350,000 acquired separately.

GEORGE EWER IN THE MARKET

Laurence Prust, brokers to George Ewer which is contesting a take-over bid from T. Cowie, has been in the market attempting to hold the price above Cowie's offer price.

On Tuesday Prust bought 30,000 shares at 52¾p—¼p above Cowie's basic offer—on behalf of an associate of Ewer.

The move could be crucial for Cowie which currently holds 47.8 per cent of Ewer, diluted for the acquisition by Ewer of Eastern Tractors. That acquisition is still unconcluded as the Stock Exchange has invited Ewer to discuss certain matters arising from it.

SHARE STAKES

Newman Industries—London and European now holds 4.49m shares (18.1 per cent).

Jitra Rubber Plantations—Batu Kawan Berhad is interested in 160,000 (7.2 per cent) shares.

Carr's Milling Industries—Heygate and Sons now holds 802,500 shares (16.05 per cent).

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.300	—	—	1	8	—	—	F.287
AKZ C	F.25	70	0.50	12	1.40	16	2.30	F.24
AKZ C	F.27.50	—	—	5	0.50	—	—	"
AKZ P	F.25	13	1.50	8	1.40	—	—	"
ARB C	F.65	2	1	1	2.20	—	—	F.63.90
EK C	$50	6	5½	—	—	—	—	$55¼
HEI C	F.60	12	2.50	—	—	—	—	F.59
HEI C	F.65	2	0.60	—	—	—	—	"
HEN C	F.60	5	2	—	—	—	—	"
HEN P	F.60	15	2.50	—	—	—	—	"
HO C	F17.50	11	0.70	18	1.20	—	—	F.17
HO C	F.20	—	—	—	—	5	0.70	"
HO C	F.25	—	—	15	0.20	—	—	"
IBM C	$55	—	—	2	5¼	—	—	$57½
KLM C	F.60	—	—	10	7.50	—	—	F.64
KLM C	F.70	117	2	—	—	—	—	"
KLM C	F.80	22	0.50	37	1.20	—	—	"
KLM P	F.60	31	2	15	4.50	—	—	"
KLM P	F.70	28	7.30	—	—	—	—	"
KLM P	F.80	15	15	—	—	—	—	"
NAT C	F.104.50	2	7	—	—	—	—	F.111.20
NAT C	F.109.10	3	3.80	—	—	—	—	"
NN C	F.110	—	—	5	5.80	—	—	"
NN C	F.120	—	—	1	1.70	—	—	"
NN P	F.110	—	—	3	3.80	—	—	"
PET C	Fr.5500	1	1.20	—	—	—	—	Fr.5240
PHI C	F.20	4	0.10	10	0.50	15	0.90	F.18
PHI P	F.17.50	—	—	30	0.60	5	0.90	"
PHI P	F.20	—	—	—	—	17	2.20	"
PHI P	F.22.50	1	4.30	—	—	—	—	"
PRD C	$25	1	⅞	—	—	—	—	$25
RD C	F.150	44	16.50	30	17	—	—	F.166.50
RD C	F.160	283	8	42	10	5	13	"
RD C	F.170	405	2.30	138	4.30	62	7.10	"
RD P	F.140	—	—	6	0.80	—	—	"
RD P	F.145	15	0.20	15	1.40	—	—	"
RD P	F.150	105	0.50	24	2.90	62	5.40	"
RD P	F.160	185	2	39	6.60	—	—	"
RD P	F.170	238	6.20	—	—	—	—	"
UNI C	F.110	—	—	—	—	2	11	F.112.80
UNI C	F.115	6	1	1	3.40	—	—	"
UNI C	F.120	—	—	2	1.20	—	—	"
UNI P	F.105	10	0.50	10	1.10	—	—	"
		Aug.		Nov.		Feb.		
BA C	$35	4	2⅝	—	—	—	—	$35⅛
SLB C	$110	1	9½	1	14	—	—	$117⅜
SLB C	$120	14	3¼	7	7⅝	—	—	"
VW C	DM.170	10	9	—	—	—	—	DM177
		June		Sept.		Dec.		
GM C	$45	10	⅝	—	—	—	—	$45

TOTAL VOLUME IN CONTRACTS 2566

C=Call P=Put

72% advance at Chubb South Africa

The 75 per cent-owned South African subsidiary of Chubb and Son boosted taxable profits by 72.2 per cent from R1.23m to R2.17m in the year to March 31, 1980, reversing a five-year earnings slide. Turnover rose by 17.7 per cent to R24m.

The directors say competition remains intense in all three of the company's divisions—physical security, alarms and fire fighting—but they are confident of further improvement in the current year.

They believe that with a likely increase in demand stemming from economic recovery and an improvement in the building industry, retensions need to increase to fund future expansion.

The total dividend is lifted to 18 cents (13 cents). Stated earnings per share are up to 34.3 cents (18.7 cents).

Redland seeks to increase capital by £60m

Shareholders of Redland, the building materials group, are being asked to approve an increase in borrowing powers.

At present, the limit is around £85m — based on the 1978-79 accounts — and this would rise to around £145m if the company's proposals are approved.

Redland's borrowings of some £64m are well within the current limit, but the group regards the form of the present limit as too restrictive.

Instead of a ceiling of 1¼ times the amount paid up on the issued share capital and standing to the credit of the share premium account, it wants the limit to be 1¼ times the aggregate of the issued and paid-up share capital and the amounts standing to the credit of the consolidated reserves.

In return for agreement to the increased limit, Redland proposes that the preference dividend be raised from 4.55 to 5 per cent and the coupons on the debenture stocks be increased by 0.25 per cent.

New unit offer from PUTPAGS

The Property Unit Trusts Group is making a new issue of units in the Property Unit Trust for Public and General Superannuation Schemes. Subscription day is Friday.

At the issue price of £1.785 per unit, the estimated yield is 5 per cent.

On April 30, the total value of "Putpags" was £24.3m, including £0.9m cash. There were 41 properties in the portfolio with a total net income of over £1.1m per annum.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: British Car Auction, Thomas French, Northern Foods, Saatchi and Saatchi, United Spring and Steel.

Finals: Amber Industrial, Brent Walker, British and Commonwealth Shipping, Caledonia Investments, Chloride, A. Cohen, Crosby Spring Interiors, Owen Group, James Finlay, Hill Samuel, Mansfield Brewery, Staveley Industries, "The Times" Veneer, UKO International, Valor.

FUTURE DATES

Interims—	
Bensfords (S and W.)	June 19
Kitchen (Robert Taylor)	June 18
Throgmorton Trust	June 17
Finals—	
Ariel Industries	June 18
Barapora Tea	June 23
Brotherhood (Peter)	June 17
Brownlee	June 18
Craig and Rose	June 16
Elswick-Hopper	June 19
Finance and Indust. Trust	June 20
Hambros	June 18
Union Discount	July 16
Whitecroft	June 23
Wilkinson Match	June 24

New structure for Currys retail business

Currys has established a new subsidiary company, Currys (Retail), to manage and operate the group's electrical retail business. Under the new structure Currys Limited becomes the parent company ultimately responsible for the performance of all group operating companies.

The board says that although retail shops are likely to remain the most important part of Currys' trading operations for many years, it is intended to develop other areas of business and expand other group companies accordingly.

For the year to January 23 Currys reported pre-tax profits of £11.9m on £221.38m turnover.

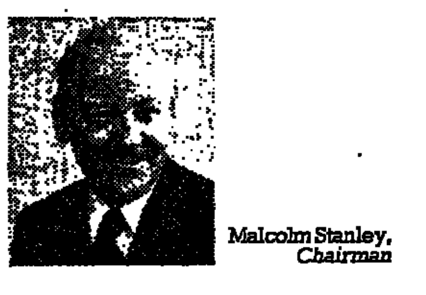
A. G. STANLEY AND MORRIS & BLAKEY

Following its offer for the Morris and Blakey Wall Paper "A" ordinary shares it does not already own, A. G. Stanley Holdings has received acceptances in respect of 601,644 (99.65 per cent of shares subject to offer).

Holders of a further 1,960 "A" ordinary shares have undertaken to accept, and the balance will be acquired compulsorily. The offer remains open

TRUSTHOUSE FORTE

Trusthouse Forte has now completed the acquisition of Bowater Hotels.



Companies and Markets

UK COMPANY NEWS

REPORTS TO MEETINGS

Encouraging trend seen in NEI performance

THE PERFORMANCE of Northern Engineering Industries this year continues to show an encouraging trend, Mr. Duncan McDonald, the chairman, said at yesterday's annual meeting.

Home demand was still weak, however, and did not appear likely to recover quickly. Overseas, there was intense competition. "The future is not going to be easy," he said.

He told shareholders that Northern's balance sheet was strong, while losses at Reyrolle, the electrical engineering company, had been stemmed.

Overseas companies should show further advances in 1980 through the expansion of existing businesses and acquisitions. Growth was being sought particularly in North America.

On the export side, trading companies — especially in the mechanical handling field—have been moving into new markets. Last year, the company's direct exports totalled £112m.

Government confirmation of the go-ahead for two Advanced Gas-cooled Reactors at Heysham in Lancashire and Thorness, near Edinburgh, was of great importance to Northern, he added.

They would provide a continuing workload for Power Engineering and Parsons. The manufacturing contracts for the boilers for both stations and for the turbine generators at Heysham should soon be received, and other sectors of the group would also be involved.

Northern Engineering, formed through the merger of Clarke Chapman and Reyrolle Parsons, underwent a sharp decline in pre-tax profits last year from £30.5m to £18.1m.

P & O takes cautious line

Peninsular & Oriental Steam Navigation Company continues to take a cautious line about prospects for 1980 after last year's sharp recovery in profits.

Lord Inchcape, the chairman, said the economic outlook in the U.S. and Britain had shown no improvement recently—"it has, if anything, deteriorated."

Shareholders have already been told in last month's annual report that group profits are only likely to show a moderate increase this year. Last year, they moved up from £18.5m to £38.7m, before tax.

While noting this and the sharp reduction in borrowings, he commented that the return on capital had not yet reached a level which would enable the group to replace its assets at present prices.

P & O has also decided, he said, that it was no longer possible for a quoted UK company to compete in certain sectors of the deep sea shipping market.

The group has already reduced the number of its cargo, tanker, bulk carrier, passenger and offshore supply vessels. On the cruise side, operating handicaps meant that the building of new ships could not be contemplated, he said.

In the past few years, P & O has bought four specialised cruise ships and wants to see further expansion here.

Lord Inchcape said P and O's share in Overseas Containers Ltd. would rise by the end of this year from 30.9 per cent to 44.21 per cent after the OCL partners purchase of the Furness Withy stake and the planned transfer of P and O's trades to the Arabian Gulf into OCL.

W. H. Smith sales below budget

Mr. P. W. Bennett, chairman of W. H. Smith and Son (Holdings), said that interim results were likely to be lower than for last year, but directors hoped that action taken would bring an improvement towards the end of the year.

Sales to date show an increase of 17 per cent, but are below budget.

The wholesale news distribution division had had its profitability cut by publisher production problems, the chairman stated, but if supplies came through with regularity, profits would show a considerable improvement.

He added that steps were being taken to eliminate losses in its three operations selling books to retailers, and a reduction was expected this year.

Tern slows in second half

SECOND HALF pre-tax profits of Tern-Consulate, shirt, tie and knitwear manufacturer, showed a modest increase from £174,532 to £196,671, but the figures for 13 months to January 31, 1980 advanced to £401,448 against £276,700 for the previous year. This was struck after interest up from £104,004 to £120,726.

There was again no tax charge and stated earnings per 25p share are 16.46p against a re-stated 11.3p. The final dividend is raised from 1.85p to 2p for a total of 4p (3.6p).

The chairman says there is no denying that the current year is going to prove very difficult for British industry as a whole, and he is, therefore, not expecting recent profit growth to continue uninterrupted.

Turnover for the 13 months was up from £5m to £6.9m.

● comment

Despite a slack Christmas period Tern-Consulate has produced the anticipated 45 per cent jump in pre-tax profits for the full year. For an independent shirt and tie maker in an increasingly difficult market, the company seems to be practised at holding its own. Its yield of around 12 per cent at 48p is quite attractive as is the modest p/e of 2.9 on an actual (nil) tax charge or even the fully taxed p/e of 5.8. The figures include a £50,000 first time 12-month contribution from Robert Charles while organic growth came mainly from the tie and accessories division, which kicked in around £35,000 more last year. The road ahead looks tricky as the company prepares for continued margin cutting in an effort to supply a quiet High Street market. In the current year, profits may fall well below the £400,000 level, but the total net dividend has a cover of 4.1 and will almost certainly be maintained. Ultimately, growing export prospects and a lucrative licensing arrangement in Japan should steady earnings growth, but this may not occur before 1981.

Bankers Inv. Trust shows increase to £2.54m

Including this time special non-recurring income of £260,978 in respect of backlog dividends received from Shell and Unilever, total revenue of the Bankers' Investment Trust climbed by 26.5 per cent to £2.54m for the year ended April 30, 1980.

Expenses and interest payable totalled £178,409 (£154,898) and after tax up from £680,345 to £798,819, net revenue was ahead from £1.18m to £1.57m.

Earnings per 25p share rose by 34.2 per cent from 2.921p to 3.919p including non-recurring income, and by 18 per cent to 3.447p with that income excluded.

A final dividend of 1.74p with a special non-recurring 0.47p lifts the total by 34.3 per cent from 2.875p to 3.86p—excluding the special payment the increase is 18 per cent. A quarterly dividend for 1980-81 of 0.6p (0.5p) is also recommended.

Total assets less current liabilities were valued at £33.43m (£36.68m) at the year end. Net asset value per share, after deducting prior charges at redemption value, fell from 87.7p to 79.3p.

CARDINAL INV.

Cardinal Investment Trust repaid a $750,000 loan from Manufacturers Hanover Trust on June 9, out of the proceeds of a new five-year multi-currency facility from the same company.

For an initial period of one year it has been drawn in the sum of $750,000 at an interest rate of 10¼ per cent.

Empire Stores warns of lower returns after year's slow start

PROFITS FOR the current year at Empire Stores (Bradford), the mail order group, are unlikely to show any growth over last year's £9.12m, Mr. John Gratwick, the chairman, warned shareholders.

He also confirmed that profits for the half year to April would be lower than last year's first half. "There has been no upturn in demand over the last few weeks," he added. "The position has not deteriorated significantly, but there has been a further downward trend." Nevertheless, he believes it is continuing to increase its market share which should bode well for the second half of the year when Empire believes consumer spending should be more favourable.

Mr. Gratwick also referred to the controversy surrounding accounting practices involving VAT which arose recently in the case of another mail order group, Grattan Warehouses.

Grattan recently changed its method of accounting for VAT to a procedure identical to that which Empire has used since 1973. However, its auditors, Arthur Young McLellan Moore, whom it shares with Empire, qualified the accounts over the change which benefited Grattan's pre-tax profits by nearly £2m.

Mr. Gratwick told shareholders that he believed the treatment to be "absolutely correct" but warned that the accountancy bodies might well be considering the matter and could conceivably require a change in the treatment.

If that occurred, he said, the company would review "all of our accounting policies to ensure that our overall provisions continue to maintain a true and fair view."

As a result of such a review, he believed that "the total profit situation would not materially differ from that which would have pertained if such changes had not taken place."

Later Mr. Ralph Scott, the managing director, explained that if the company were required to change its VAT treatment that would mean creating a reserve which "simply would not be needed."

In order to make sure that the accounts then produced a "true and fair view" of the company's affairs it might then be necessary to reduce other provisions and reserves proportionately, or to make other changes in accounting procedures, he said.

One area where possible accounting changes could be made was in assessing the costs of the spring/summer catalogue. At present these were attributed to the July-January accounting period, though income from sales from the catalogue were not taken in until the following six-month period. This procedure might be reviewed, Mr. Scott said.

W. LAWRENCE

The majority of the current year's profits would fall in the second half, Mr. John Redgrave, chairman of Walter Lawrence, told members, and overall results, "should not prove unacceptable."

He added that the group was proceeding with its rationalisation plans in the manufacturing companies.

Today's meetings

Amalgamated Power Engng., Queens Engineering Works, Bedford, 12.00. Automotive Products, Grosvenor House, Park Lane, W, 12.00. Caird (A.), 30, Reform St., Dundee 12.00. Central and Sheerwood, Hyde Park Hotel, SW, 12.00. Coates Brothers, Stationers Hall, Stationers Hall Court, Ludgate Hill, EC, 11.30. Croda Intnl., Connaught Rooms, Great Queen St., WC, 12.00. Farmer (S. W.), The Bromley Court Hotel, Bromley Road, Bromley, Kent, 12.00. Farnell Electronics, Queens Hotel, Leeds, 1.00. Flight Refuelling, Painters Hall, 9, Little Trinity Lane, 12.00. Gerrard and National Discount, 32, Lombard Street, EC, 12.00. Hestair, Hyde Park Hotel, SW, 12.00. King and Shaxson, 52 Cornhill, EC, 12.00. Maple, Winchester House, 100, Old Broad Street, EC, 12.00. Mersey Dock and Harbour, Port of Liverpool Building, Pier Head, Liverpool, 11.30. Miller (F.), 13, Bath Street, Glasgow, 12.00. Provincial Laundries, Prospect House, The Broadway, Farnham Common, Slough, Berkshire, 12.00. Rush and Tomkins, Charing Cross Hotel, WC, 2.30. Sumner (Francis), Winchester House, 77, London Wall, EC, 12.00. Telephone Rentals, Telephone Rental House, Bletchley, Milton Keynes, Buckinghamshire, 12.30. Travis and Arnold, Saxon Inn, Silver Street, Northampton, 12.00. Usher-Walker, Connaught Rooms, Great Queen Street, 12.00. Wilkins and Mitchell, Mount Hotel, Wolverhampton, 3.00.

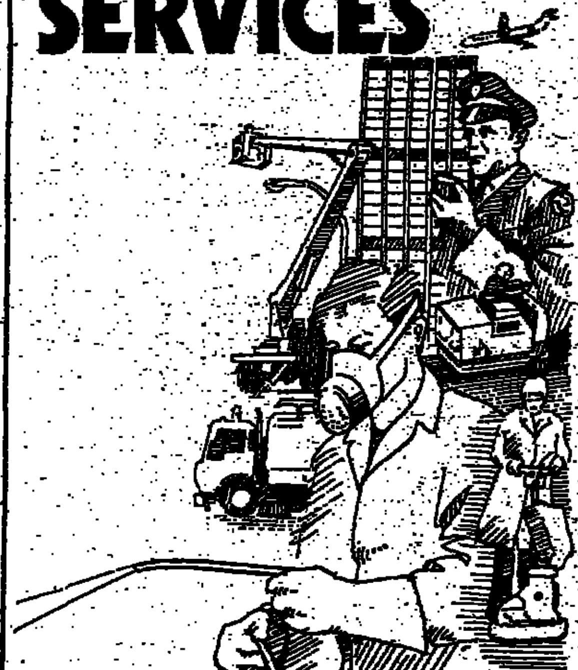
Rowlinson over £62,500

A 12 PERE CENT rise in pre-tax profits, from £55,868 to £62,584, is reported for the year to March 31 by Rowlinson Constructions Group, the Stockport-based contractor and property developer. Profits at half-way were £31,800 (£108,200) and the directors expected similar full-year results.

Tax took £1,098 (£29,456) and a final dividend of 0.425p (same) makes an unchanged total of 0.60625p.

The Board says that the group had a successful year in industrial development, but because of terminal losses on local authority contracts and higher interest rates, profits are only marginally higher.

The current year is seen as a period of consolidation, although with an increase in rental income and expected improvements in the contracting division, profits should benefit accordingly.



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INTERNATIONAL COMPANIES and FINANCE

INTERNATIONAL CAPITAL MARKETS

Tougher terms set for Brazil credit

BY PETER MONTAGNON

ELECTROBRAS, THE Brazilian utility, is to raise a $300m syndicated credit with a flat margin of 1⅛ per cent over eight years. This marks a significant hardening of terms for Brazilian borrowing.

The mandate for the loan has been awarded to a group of eight banks, with Morgan Guaranty acting as agent. The others are CIBC, Chemical, Cie Luxembourgeoise de la Dresdner Bank, Credit Lyonnais, Long Term Credit Bank of Japan, Royal Bank of Canada and Union Bank of Switzerland.

The credit has a four year grace period and is guaranteed by the Republic of Brazil.

Brazil's last major borrowing was a $200m financing for the Itaipu hydroelectric project arranged by Swiss Bank Corporate last month. Of the total only $100m was widely syndicated with a spread of 1⅛ per cent over 10 years.

Now Brazil is paying fully a quarter per cent more for a shorter maturity, which is interpreted in the banking community as a sign that it is finally overcoming its resistance to higher spreads.

So far this year Brazil has raised only about $4bn out of a total financing requirement of some $12bn, according to Brazilian Government officials. The slow progress was largely because of its reluctance to accept sharper terms.

Bankers felt that higher terms were required both because of the very high level of Brazil's existing debt and because of its large 1980 requirement.

The country's debt problems have been a source of great concern to the banking community, although few bankers actually doubt that Brazil can raise the money it requires this year so long as it is prepared to compromise on the pricing.

Investors marking time in dollar Eurobond market

BY OUR EUROMARKETS STAFF

INVESTORS ON the dollar Eurobond market appeared to be marking time yesterday. Dealers reported low activity and prices finished the day down an average of ⅛ point.

Swiss Bank Corporation increased the amount on its own new convertible bonds by $20m to $120m and at the same time cut the coupon from 6¼ per cent to 6⅛ per cent. This is the third time this wee kthat the amount or terms of a new issue on the dollar sector have been changed.

Deutsche-mark bonds were mainly unchanged. A new issue for the Oesterreichische Kontrollbank of DM 150m is due to be launched today by Dresdner Bank and market participants expect a coupon in the region of 8¼ per cent.

In Swiss Francs, the Kingdom of Denmark is to borrow SwFr 80m over 10 years with a coupon of 5¾ per cent priced at par. Lead manager Swiss Bank Corporation indicated that the amount could be increased to SwFr 100m if demand is sufficient.

The amount of the Asian Development Bank's 6¼ per cent 10-year issue has been increased from SwFr 60m to SwFr 80m by the lead manager Credit Suisse. Prices on the secondary market fell by about ¼ point overall.

Ampex lifts operating profits

By Our Financial Staff

AMPEX CORPORATION, the largest U.S. producer of audio and video magnetic tape and video recording equipment, pushed operating net profits from $5.46m to $6.31m in the final quarter of its year to May 3.

For the year profits of the California-based group, which also has computer peripherals interests, rose from $18.15m to $24.26m on sales ahead from $379.9m to $469.1m. Audio-visual products lead the sales gain with a 40 per cent rise. The final quarter contributed sales of $134.2m against $107.2m previously and earnings per share of 55 cents (48 cents previously) to the annual total of $2.12 ($1.60).

The operating net profit for the quarter excludes gains of 3 cents (28 cents) for the quarter and 91 cents (81 cents) for the year from carried forward tax losses.

Mr. Arthur Hausman, the president, had previously said that orders for the year had risen by 14 per cent across all product lines to $460m. The year end order backlog of $130m was a record.

Mr. Vincent Titolo, vice-president and treasurer of AMPEX, had said the company saw for fiscal 1981 capital outlays of between $32m ando $33m for property, plant and equipment expenditures, compared with $20m for the fiscal year ended on May 3.

● Mohawk Data Sciences Corporation, the New Jersey-based computer peripherals group, raised net profits from $2.94m to $3.91m in its final quarter, pushing the total for the year to April 30 from $9.55m to $15.31m.

Final quarter sales of $56.3m ($49.1m previously) produced an annual total of $212.2m ($178.3m). Earnings per share for the quarter were 42 cents against 32 cents, for a total of $1.67 compared with $1.10.

PETRO-LEWIS FLOURISHES ON AN INNOVATED FORMULA

Selling partnerships in the oil boom

BY DAVID LASCELLES RECENTLY IN DENVER

ONE OF the lesser-known bidders in last winter's multi-billion dollar auction of Belridge Oil was a small Colorado-based company called Petro-Lewis. With annual turnover of $54m and, earnings of $7m, Petro-Lewis might seem somewhat out of its league bidding against Shell, Mobil and Texaco in the largest takeover the U.S. has witnessed. But Petro-Lewis is no ordinary oil company.

In fact, it is not really an oil company, but a fund-raising mechanism for investors who want a share in the U.S. oil drilling and production boom.

Operating from sumptuously furnished offices in downtown Denver, Petro-Lewis is only 12 years old, but it has flourished as a result of highly a successful financing formula devised by its founder, Mr. Jerome Lewis, and a small team of close associates.

Based on a so-called "oil income programme," it works as follows. Every month, Petro-Lewis raises about $20m by selling partnerships in future oil and gas production ventures. It then borrows the same amount of money from the banks and goes out and buys producing properties. Once the revenues start flowing in, the partners share in the profits.

Petro-Lewis itself makes its money by charging a 15 per cent management fee, which it takes in the form of a participation in each partnership. It thus shares in every venture it sets up, though, as general partner, it also assumes most of the legal and financial responsibilties.

The main aim of the partnerships is income. The target yield is 10-12 per cent a year, but recently Petro-Lewis claims to have been logging inflation plus 2-4 per cent. Partnership status also brings some tax advantages, and the venture qualifies for the lower tax bands set for independent oil producers in the recent windfall profits tax on oil company earnings.

To achieve these yields, Petro-Lewis is highly selective about the properties it buys, and will only consider those that have an established production record and a good reserve base, and which do not need extra capital infusions: in other words, good, though not necessarily exciting properties.

Mr. Lon McCain, the company's investment relations officer, said: "The companies that drill for oil are the risk takers. We are the risk averters." He noted that the company's staff consists largely of petroleum geologists who analyse properties, and financial/computer people who handle the partnership side of the business. "There's a lot of paperwork involved," Mr. McCain said. "Which may be why other people are not keen to do the same as us."

Since the oil income programme was started in 1970, Petro-Lewis has formed over 100 partnerships, and bought over $600m worth of properties. The partnerships are marketed through brokerage houses (which get 7 per cent) in lots of $2,500 or more. They are thus aimed at the popular investment market rather than selective or wealthy investors, though Petro-Lewis is also expanding private placements with institutions and pension funds.

Selling stakes in oil and gas production ventures has proved a success for Petro-Lewis, a Denver-based company which links investors with the well-head

The average investor has about $8,000 to $9,000, and there are about 5,000 to 8,000 investors per partnership. Non-U.S. citizens may not invest in the programme, because foreigners are not allowed to own federal oil leases, in which Petro-Lewis occasionally invests.

Not everyone is delirious about the Petro-Lewis programme. Some partnerships have produced disappointing yields, and it is not easy to get out once you are in. Petro-Lewis is contractually obligated to buy out a partner, initially at 80 per cent of his investment, minus 30 per cent of what he has received from the partnership to date. Once the partnership is fully established, though, Petro-Lewis will pay "a fair market price" for the property, based on the investor's pro rata share.

However, Petro-Lewis stresses that the oil income programme is a long-term investment, and it likes participants to plough back the yield into new partnerships—60 per cent do.

Mr. Alfred Humphries, an oil analyst with the Denver securities firm of Dain Bosworth, commented yesterday: "If you believe, as I do, that oil prices are going to go on rising, then Petro-Lewis's partnerships are a good investment. But obviously, if oil prices flatten out, it becomes less attractive."

Although the programme has benefitted enormously from the soaring price of oil, it is also having to pay ever increasing prices for new properties. While Petro-Lewis was able to buy oil in the ground for around $5 a barrel last year, the going price now is now up to $10—or even $15 for juicy properties. So unless the price of produced oil continues its upward spiral, the partnerships' yield could come under pressure.

With its heavy financing requirements, Petro-Lewis has gone to some pains to build up good financial backing. It does business with eight domestic banks and three foreign banks, Barclays and National Westminster of the UK and the Bank of Montreal.

Mr. McCain said: "Many domestic banks are up against their lending limits, but the foreign banks can still lend to us."

When Petro-Lewis made its bid for Belridge, (which is believed to have been in the $1.5-$2bn range, it had fixed up the financing with its banks, Mr. McCain said. However, if it had won the bidding, it might have sold off parts of Belridge and thus would not have had to carry a huge debt for long.

U.S. Gypsum expects decline to continue

By Our Financial Staff

EARNINGS OF United States Gypsum Company, which manufactures a wide range of products for the building and construction industry, will continue the "downward trend experienced in the first quarter" until inflation eases and more mortgage funds become available, according to Mr. Graham J. Morgan, the chairman.

Net income in the first three months this year was $25.6m, or $1.57 a share, against $32m, or $1.91 a share, in the corresponding 1979 period.

Mr. Morgan said the company, which is the largest producer of gypsum products in the U.S., expects 1980 earnings to be about $5 a share despite a steep decline of housing starts. Net income for 1979 was $123.5m, equal to $7.59 a share, with the second quarter contributing 35.4m, or $2.20 a share, on sales of $381.6m.

After the current downturn which Mr. Morgan expects to end late this year or in early 1981—the company sees "excellent years" ahead for its businesses.

Mr. Morgan said housing starts in the 1980s were expected to average 2m a year and there should also be "very good gains" in the non-residential construction and repair markets. Housing starts this year should be about 1.1m units, down from 1.75m last year.

While 1981 "won't be a bonanaza," the chairman predicted that the company's business cycle would be the reverse of this year's, when business started off well before faltering.

He expects the groups capital spending to average about $100m a year in the 1980s. Earlier the company said spending this year would be about $110m. In 1979 capital spending reached a record $89m.

Mr. Morgan also revealed that earlier this year U.S. Gypsum's board approved the purchase of 1m shares of its stock on the open market. But the company only bought about 100,000 shares before stopping the purchases in March. The chairman said the company would probably go into the market for more shares in the near future.

Sharp reverse for Squibb

By Our Financial Staff

SHARPLY LOWER second quarter earnings are forecast by Squibb Corporation, the New York-based pharmaceuticals group which has diversified into confectionery, cosmetics and surgical instruments.

After a static first quarter with per share earnings of 32 cents, against 31 cents last year, on sales up over 15 per cent at $347m, Mr. George Maginness, executive vice-president, estimates that second quarter profits could be some 25 per cent down on 1979 levels—$28.6m or 59 cents a share on sales o f $431.9m.

Sale by Alaska Interstate

HOUSTON — Alaska Interstate Company, the natural gas distributor, has agreed to sell its 39 per cent stake in Roy M. Huffington to Huffington for $54m. Huffington is operator for the Huffco group Indonesian oil and gas joint venture, in which Alaska Interstate's Virginia International subsidiary continues to own a 15 per cent working interest.

Reuter

Alfa Romeo motor group cuts losses to L55bn

BY PAUL BETTS IN ROME

ALFA ROMEO, Italy's troubled state-motor group, is expected to report reduced losses at its annual meeting later this month.

The state car group, currently negotiating a joint venture to produce a medium-sized car in southern Italy with Nissan of Japan, cut its overall losses by nearly L29bn to L54.9bn ($66.1m) last year.

The losses again reflected the continuing dire problems of the groups Alfasud car manufacturing operations in the Naples area.

Alfa Romeo is also expected to report to its shareholders at the end of the month an increase, in overall sales revenue from L1,179bn in 1978 to L1,397bn ($1.68bn) last year. Of this total Alfa Romeo contributed L964bn (L805bn previously) and Alfasud L433bn (L374bn).

Alfa Romeo's sales in Italy rose from 103,200 cars in 1978 to 114,000 vehicles last year, while its share of the domestic car market increased from 7.4 per cent to 8 per cent. But there was a sharp drop in export sales, which declined from 122,000 cars in 1978 to 103,000 cars last year.

The group—in particular the Alfasud subsidiary — again suffered serious production difficulties as a result of protracted labour unrest last year.

Production at Alfa-Romeo's northern Arese plant dropped from 113,500 cars in 1978 to 111,100 cars last year, while at Alfasud production declined by nearly 10 per cent from 106,000 to 96,500 cars last year.

The company said its losses were expected to be covered by state holding companies IRI and Finmeccanica, Alfa Romeo's main shareholders.

Vroom en Dreesmann in Japanese stores link

BY CHARLES BATCHELOR IN AMSTERDAM

VROOM EN DREESMANN (Vend), the privately owned Dutch retailing group announced plans for a far-reaching co-operation with a Japanese stores group Uny Company of Nagoya.

The two companies have agreed to exchange commercial and technical information and hope to reach close financial and economic links, Vend said. The aim is to carry out joint purchasing in Europe and elsewhere and to develop new retailing formulas, initially in Japan but also elsewhere.

Vend was unable to give further details at this stage. If a close link is reached, however, the financial commitment is likely to be considerable.

An agreement of this nature is unique in the Dutch retailing though Vend already has informal links with another Japanese stores group, Takashimaya Company, through the Intercontinental group of department stores. This groups a number of stores, including John Martin and Selfridges of the UK and Karstadt of West Germany, for the purposes of exchanging information. It also has shares in four large U.S. store chains.

Uny ranks among the top five Japanese retail groups with turnover of Y329.5bn in the last book year. It has 94 "superstores" with a total sales area of 444,000 square metres, 107 specialist Kimono shops trading under the Sagami name and seven U-Store supermarkets.

Vend is the largest Dutch store group with 1978-79 sales of Fl 4.46bn ($2.23bn). It has expanded rapidly in the Netherlands and abroad

Vend has been developing the service and electronics fields recently.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on June 11

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	50	93½	94	−0⅛	+1⅛	11.13
Australian Res. 9⅜ 84	30	96½	97	−0⅛	+1⅝	10.62
Beneficial Fin. 9¾ 87	100	94½	94⅞	−0⅛	+1⅞	10.92
CECA Grad. Rate 12 88	100	99⅞	100⅛	−0⅛	+1⅞	11.27
CECA 11¾ 90	50	100¼	101	0	+2¼	11.49
CECA 11½ 88	100	102⅜	102⅞	−0⅛	+3	10.98
Canadian Pacific 9¾ 89	50	94⅝	94⅞	−0⅛	+2⅛	10.73
Carter Hawley 9¾ 86	50	94	94½	−0⅛	+1⅛	11.10
Continental Grp. 9⅝ 86	100	95⅜	95⅞	−0⅛	+2⅛	10.70
Denmark 11⅝ 90	100	100⅜	101⅛	−0⅛	+1⅛	11.57
Dome Petroleum 13½ 92	50	104½	104⅞	−0⅛	+1⅞	12.73
EIB 11⅝ 92	80	100⅛	100⅞	−0⅛	+0⅞	11.62
EIB 13¾ 90	100	109⅜	110⅛	−0⅛	+2⅛	11.95
Eksportfinans 11⅜ 87	50	101	101½	−0⅛	+1½	10.84
Export Dv. Cpn. 9⅝ 84	150	97½	98	−0⅛	+1⅝	10.41
Export Dv. Cpn. 12½ 87	100	106¾	107⅛	−0⅛	+1½	11.23
European Comm. 11 95	75	98	98½	−0⅛	+1⅛	11.24
Federal Dev. Bk. 12⅛ 85	75	105¼	105¾	−0⅛	+1⅞	10.74
Ford O/S Fin. 12⅜ 85	250	101½	102	−0⅛	+0⅝	12.12
George Weston 13½ 87	30	†102½	103	0	+0⅞	12.87
GTE Finance 9⅞ 89	55	90⅞	91⅜	0	+3½	11.36
GMAC 9⅜ 85	100	93⅛	93⅝	−0⅛	+1⅛	10.80
GMAC O/S Fin. 11 84	100	100⅝	101⅛	−0⅛	+1¼	10.70
GMAC O/S Fin. 13⅜ 85	100	107	107½	−0⅛	+1⅛	11.32
Goodyear O/S 12½ 87	75	99½	100	+0⅛	+1⅛	12.55
ICI Fin. Ned. 11 83	100	100⅞	101⅜	+0⅛	+0⅛	10.53
Kennecott Int. 9½ 86	100	88⅜	88⅞	−0⅛	+2⅝	12.37
McGraw 13½ 85	75	102¼	102¾	−0⅛	+1⅜	12.76
Michelin 10 94	125	91⅞	92⅜	−0⅛	+1⅛	11.12
Nat. Des. Telecm. 9½ 86	100	95½	96	0	+2⅞	10.49
New Brunswick 9¾ 94	75	89⅜	90⅛	0	+1¼	11.19
Newfoundland 10 94	50	91⅝	92⅛	+0⅛	+1⅞	11.17
Norway 9½ 84	150	97⅜	97⅞	−0⅛	+1½	10.26
Norwest Ind. 13⅝ 87	50	101⅜	101⅞	−0⅛	+1¾	13.23
Nova Scotia Pwr. 9⅜ 89	50	92¼	92¾	−0⅛	+0⅝	11.11
Roylease Ltd. 11¼ 85	50	100⅞	101⅜	−0⅛	−1½	10.94
SNCF 12⅜ 85	50	106⅜	106⅞	−0⅛	+2⅛	10.57
Statoil 9⅞ 89	100	94⅝	95⅛	0	+3⅛	10.61
Swed. Ex. Cred. 12½ 85	40	103⅞	104⅜	0	+1⅛	11.40
Sweden 9⅜ 89	100	93½	94	−0⅛	+2	10.87
Sweden 9⅜ 84	100	97½	98	−0⅛	+1½	10.42
Warner-Lambert 9 84	100	95⅜	95⅞	−0⅛	+1⅛	10.25

Average price changes... On day −0⅛ on week +1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	102¼	103	0	−0⅛	8.59
Asian Dev. Bank 10 90	200	108½	109¼	0	0	8.62
Australia 8⅛ 90	250	100⅞	101⅜	0	+0⅛	7.93
BFCE 7¾ 87	100	98⅜	99	0	+0⅛	8.01
BFCE 8⅛ 95	100	98½	99¼	+0⅛	+0⅛	8.25
Brazil 8 87	150	93⅜	94⅛	−0⅞	−1⅛	9.17
CECA 7 91	150	92⅛	93⅛	+0⅛	+1½	8.02
Council of Eur. 7¾ 89	100	94⅛	94⅞	0	+0⅛	8.14
Denmark 7⅞ 86	100	97⅜	98⅛	0	+0¼	8.35
Denmark 8¾ 92	100	98⅜	99⅜	+0⅛	−0⅛	8.39
EEC 7¾ 94	225	97⅞	98½	+0⅛	+0⅛	8.09
EIB 7½ 89	200	97¾	98⅛	+0⅛	+1	7.88
Finland Rep. of 8 86	150	98⅜	98⅞	0	+0½	8.29
Kobe, City of 7⅞ 89	150	94⅞	95⅜	−0¼	−0⅛	7.85
Neder. Gasunie 8 86	100	100⅞	101⅜	+0⅛	+0⅛	7.73
Norway 7½ 85	250	98⅞	99⅜	0	+0⅛	7.68
OKB 7¾ 89	100	95⅜	96⅛	0	+0⅛	8.03
Oslo, City of 8¾ 90	80	101¾	102½	0	+0⅛	8.41
Sweden 9⅜ 87	200	106⅜	107⅛	+0⅛	+0⅞	8.40
World Bank 7¾ 91	400	97⅜	97⅞	+0⅛	+0⅛	8.10
World Bank 7⅞ 90	250	97¾	98½	0	+0⅛	8.15
World Bank 10 86	150	107⅛	108⅛	0	+0½	8.22
World Bank 10 90	200	109¼	110¼	−0⅛	+0⅛	8.50

Average price changes... On day 0 on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	95¼	96	0	+2	6.14
Aumar 5 89	60	93	93½	0	−0½	5.98
Bergen, City of 4¾ 91	40	96	96½	+0½	+2	5.20
Bergen, City of 6 90	50	†103	103½	0	0	5.57
BNDE 5 89	75	87⅞	88⅛	+0⅛	+1	6.79
BMW Overseas 4¾ 91	100	92⅜	93¼	+0¼	+0⅛	5.07
Buhrm'n-Tetterode 7 90	40	105⅛	105⅝	−0½	+0⅛	6.25
Caisse Nat. Tele. 4¾ 88	100	94¾	95¼	0	+0¼	5.07
CCCE 5¾ 90	100	102¼	102¾	−0⅛	−0⅞	5.42
Copenhagen 4½ 91	60	†90	90½	0	+0½	5.69
Council of Eur. 5 89	100	94⅛	94⅝	−0⅛	−0⅞	5.78
EIB 4½ 91	100	92¾	93¼	−0¼	+0⅛	5.38
EIB 4⅝ 94	100	87⅞	88⅜	+0⅛	+0⅞	5.61
Elec. de France 4⅞ 88	100	94½	95	0	+0¼	5.17
GZB 4⅝ 89	100	92	92½	0	+0⅛	5.32
Hilti 4½ 91	35	94½	95¼	+0⅛	+1	4.84
Int.-Amer. Dev. 4½ 89	100	92	92½	−1½	−1½	5.60
Int.-Amer. Dev. 7 90	80	106⅛	106¾	+0½	−0⅛	6.10
Jutland Tele. 5½ 90	50	100⅜	100⅞	+⅛	0	5.41
Malaysia 5 89	80	†90	90½	0	−0⅛	6.42
Nippon Tel. & T. 4⅞ 89	100	94⅝	95⅛	0	+0¼	4.95
Nordic Bank 5 89	45	†96	96½	0	+1⅞	5.53
Norges Komm. 4⅝ 91	100	92½	93	−0⅛	−0⅛	5.24
OKB 4½ 91	100	91¼	91¾	0	+0⅛	5.39
OKB 6 90	100	104	104½	0	+0½	5.43
Oslo, City of 4⅞ 91	100	90⅝	91⅛	+0⅛	+0⅛	5.47
Shikoku El. Pwr. 4¾ 88	100	94	94½	−0⅝	−0¼	5.56
Stewaag 4¾ 91	60	*†94	95	−1	−0¾	5.42
Voest-Alpine 4¾ 89	90	†96	96½	−0⅛	−0⅛	5.29
World Bank 4⅝ 89	100	95⅞	96⅜	−0⅛	0	5.16
World Bank 4⅝ 88	150	92¼	92¾	0	0	5.42
World Bank 4⅝ 91	100	†92	92½	0	−0½	5.56

Average price changes... On day −0⅛ on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	91⅛	92⅞	−0¼	+0⅛	8.37
Australia 6½ 88	20	88⅞	89⅞	−0⅛	+1⅛	8.46
EIB 7⅝ 89	12	94½	95½	−0⅛	+2	8.46
Finland 5.6 83	10	91⅛	92⅝	−0⅛	+0⅛	8.43
Finland 6.8 88	10	89¾	90½	+0⅛	+0⅞	8.67

Average price changes... On day −0⅛ on week +0⅞

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅜ 86 CS	60	95½	96	−0⅛	+2⅛	11.71
CIBC 13½ 85 CS	50	104⅞	104⅜	−0⅛	+1⅛	12.22
Cr. Foncier 10⅞ 84 CS	30	†93	94	+0½	+1½	12.39
Fst. Can. Inv. 10 84 CS	50	94⅝	94⅞	−0⅛	+1⅛	11.77
GMAC 12 85 CS	50	†99⅛	99⅝	0	+0⅛	12.14
Quebec 10⅜ 86 CS	50	93	95	0	+0½	11.71
R. Bk. Canada 10 86 CS	40	94	94½	−0⅛	+1⅛	11.38
R. Bk. Canada 10 94 CS	40	87⅞	88⅜	−0⅛	+0½	11.77
Tordom Cpn. 13½ 85 CS	30	104⅛	104⅝	−0⅛	+1⅛	12.22
M. Bk. Dnmk. 9 91 EUA	25	94⅞	95⅞	0	0	9.65
SOFTE 8¾ 89 EUA	40	86⅜	87⅞	0	+0⅛	10.53
U. Bk. Nrwy. 9½ 90 EUA	18	98	99¼	+0⅛	+0⅛	9.71
Algemene Bk. 8½ 84 Fl	75	97⅜	97⅞	+0⅛	0	8.92
Ned. Gasunie 8⅜ 84 Fl	50	98⅜	99⅛	+0⅛	−0⅛	9.05
Ned. Middbk. 8⅞ 84 Fl	75	96⅛	96⅝	+0⅛	−0⅛	9.41
Norway 8¼ 84 Fl	100	96⅞	97⅜	+0⅛	−0⅛	9.17
Norway 8⅜ 84 Fl	100	97½	98	+0⅛	+0⅛	8.88
Philips Lamps 8⅜ 84 Fl	75	97¼	97¾	−0½	−0¼	9.07
Air France 11 84 FFr	120	94½	95¼	0	−0⅛	12.59
CECA 14⅛ 86 FFr	150	104¼	105	0	+0⅝	13.03
Euratom 9⅞ 87 FFr	150	84½	85	0	−0⅛	13.26
Finland 11 84 FFr	80	93⅞	94⅝	0	−0⅛	12.76
Finland 11½ 89 FFr	70	92⅜	93	0	+0¼	12.87
Gaz de France 11 84 FFr	150	93⅝	94⅛	−0⅛	−1⅛	12.82
IBM France 11⅞ 84 FFr	120	97	97⅝	0	+0⅛	12.82
Renault 9⅜ 85 FFr	100	85¼	86½	0	+0⅛	13.71
Saint-Gobain 9⅞ 86 FFr	130	84⅝	85¼	+0⅛	+0¼	13.58
Solvay et Cie 9⅞ 87 FFr	125	82½	83¼	−0⅛	+0⅛	13.75
Beneficial Fin. 14⅞ 90 £	20	98⅜	99⅜	0	+0¼	14.46
Citicorp O/S 13½ 90 £	50	97⅜	98⅛	0	+0⅛	13.85
EIB 11½ 91 £	25	90⅝	91⅜	−0⅛	−0⅛	13.09
Fin. for Ind. 12½ 89 £	30	96⅛	96⅞	−0⅛	−0⅛	13.18
Fin. for Ind. 14½ 88 £	20	101	101¾	0	+0⅞	14.15
Gen. Elec. Co. 12¼ 89 £	50	96⅜	97⅛	0	−0⅛	13.04
Swed. Ex. Cr. 15⅛ 85 £	20	102⅛	102⅞	−0⅛	+0⅛	14.46
Indonesia 8¾ 91 KD	7	†93	93½	0	0	9.77
Mitsubishi 7½ 84 KD	10	†92¼	93	0	0	9.74
Norges Kom. 7½ 89 KD	12	†93¼	93⅞	0	0	8.55
Occidental 8¾ 91 KD	7	†90½	90¾	0	0	9.69
Akzo 9¾ 87 LuxFr	500	92⅞	93⅞	+0⅛	−0⅛	10.57
Euratom 8 87 LuxFr	500	88¼	89¼	+0¼	+1⅞	10.38
Euratom 9⅜ 88 LuxFr	500	97⅜	98⅜	0	+0⅛	10.09
[illegible] 9¾ 88 LuxFr	600	97⅛	98⅛	+0½	+0½	10.14
Volvo 9¾ 87 LuxFr	500	96½	97½	−0⅛	−0⅛	10.32

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0¼	97⅞	98⅜	2/7	15⅛	15.41
Banco di Roma Int. 6 87	0¼	100¼	100⅝	26/10	15.31	15.24
Bank of Ireland 5¾ 89	‡0¼	98⅛	98⅝	21/8	11.81	12.01
Bank of Tokyo 5¼ 89	‡0⅛	97⅞	98⅜	25/10	16.56	16.88
Barclays O/S Inv. 5 90	0¼	97⅝	98⅛	13/6	14¼	14.54
Bergen Bk. A/S 6 89	‡0¼	97⅛	97⅝	29/8	10	10.27
Bque. Indo Suez 5¾ 89	0¼	98⅜	98⅞	11/7	14.69	14.84
Citicorp O/S F. 6 94	‡0⅛	98⅛	98⅞	8/9	10⅛	10.27
Citicorp O/S F. 83	§‡0	99	99½	23/8	10.19	10.26
Citicorp O/S F. 94	§0	98⅜	98⅞	30/6	9.81	9.95
C. Itoh 5¼ 87	0¼	100⅞	101⅜	18/9	19.44	19.22
Co-operative Bk. 6 86	0¼	98⅛	98⅝	15/11	11.44	11.61
Creditanstalt 5½ 91	§‡0¼	97½	98	14/8	18.44	18.86
CNT 5¼ 86	§0¼	101½	102	16/10	18⅛	17.81
GZB 5½ 89	‡0¼	98⅛	98⅞	1/8	15¼	15.46
Jugobanka 8 89	0⅞	90	92	23/11	11⅝	12.77
Ind. Bank Japan 5¾ 87	0¼	101½	101⅞	15/10	18⅛	18.47
LTCB Japan 5¼ 86	0⅛	98⅛	98⅝	13/6	14¼	14.47
LTCB Japan 5½ 89	0¼	98	98½	7/12	10⅛	10.31
Mfrs. Han. O/S 5¾ 94	‡0⅛	97⅝	98⅛	31/8	9⅝	10.08
Midland Intl. Fin. 5 89	0¼	99⅝	100⅛	20/6	15	15.00
Midland Intl. Fin. 5¼ 92	0¼	98⅜	99⅛	5/12	10⅞	10.98
Nacional Fin. 6¼ 86	0¼	98⅛	98⅞	25/7	14.69	14.89
Nat. West. 5¼ 94	§0¼	101¼	101¾	11/10	18⅛	18.35
Nippon Credit 6½ 86	0¼	97⅝	98½	12/7	14.44	14.75
Nippon Credit 5⅞ 87	‡0⅛	97⅝	98⅛	6/8	14⅛	14.67
Royal Bk. Scot. 5¼ 94	§‡0¼	99	99½	11/7	19½	19.65
Soc. C. de Bque. 6½ 87	0¼	101¼	101¾	3/10	20.06	19.77
Sogenal 5⅞ 89	§0¼	98⅛	98⅝	13/7	14.44	14.66
Standard Chart. 5¼ 90	0¼	101¼	101¾	6/9	17¼	17.00
Sweden 8¾ 91	‡0¼	97⅜	98⅞	18/10	18⅛	19.08
Williams & Glyn 5¼ 91	0⅞	100⅜	101¼	14/8	18½	18.32
Bq. E. d'Alg. 4¼ 89 SF	0⅝	84⅜	85½	18/6	6.69	7.86

Average price changes... on day 0 on week +0½

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	†117	118	+1	−8.06
Ajinomoto 7¾ 95	2/80	616.5	106⅜	107⅜	+0⅛	1.07
Alco Int. Fin. 9½ 94	1/80	40	92	93½	+0⅛	36.15
Apache I. Fin. 8¾ 95	12/80	31.68	106⅜	108	−0⅛	47.83
Asahi Optical 7 94	11/79	526.1	99⅜	100⅛	+0⅛	3.39
Canon 6¾ 94	8/79	570	110½	111½	+0⅛	−0.98
Credit Suisse 4¾ 93	10/79	1278	101⅝	103⅛	−0⅛	−2.22
Daiei Inc. 6½ 94	11/79	927.3	97⅛	98⅛	+0⅛	21.87
DDKK 11 90	4/80	324	116⅛	117⅛	0	13.38
Dynalectron 9½ 95	8/80	12.22	105¼	106½	−0⅛	0.49
Ensearch Fin. 9½ 94	7/80	30.25	108	109	+0½	7.64
LPC Internatnl. 8 89	9/79	23.33	†98½	100	0	20.29
Maidenshe Elec. 7 94	12/79	210	99⅞	100⅞	0	12.18
Mitsubishi Cp. 6½ 94	10/79	549.1	131⅛	132⅛	+0⅛	4.05
Nippon Seiko 7⅛ 94	12/79	339	†114½	115½	+0⅛	3.18
Nitto Elec. Ind. 6 94	7/79	735	82½	84	+0¼	4.88
Toshiba Cpn. 7⅛ 94	10/79	198	101¼	102¼	+0½	−0.58
Union Bk. Switz. 5 89	2/80	121.4	97⅛	99⅛	+0⅛	2.88
Fujitsu 5 84 DM	7/79	475	100⅝	101⅝	+0½	10.36
Kansai Elec. 4 84 DM	4/79	1234	86½	87½	+0⅛	36.23
Uny Co. 6½ 85 DM	11/79	1071	94⅛	95⅛	+0½	27.32

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Krupp is confident that return to profit will continue

BY KEVIN DONE IN FRANKFURT

KRUPP, THE STEEL, engineering and shipbuliding group, increased its turnover by about 8 per cent to DM4.8bn ($2.73bn) in the first five months of 1980 and appears confident that the recovery in 1979, can be consolidated.

Severe problems remain in some sectors of the group, particularly in shipbuilding, but substantial increases in orders taken in other divisions last year should support strongly further expansion.

The domestically consolidated Krupp companies increased turnover by some 6 per cent last year to DM11.6bn and returned to profit after plunging into losses in 1978.

The group returned an after-tax profit of DM64m ($36.36m) compared with a loss in 1978 of DM19m. Last year showed the best group after-tax profit since 1974.

Whether Krupp can maintain this recovery will depend above all on the steel market. Steel accounts for 37 per cent of group turnover and it was the performance of this division last year, which returned to profit after four years of substantial losses, which chiefly led to the general improvement in the group.

Herr Heinz Petry, who retires as chief executive of the group at the end of the month—his successor will be Dr Wilhelm Scheider, who was previously chairman of Krupp's steel subsidiary—said the steel activities represented the group's greatest risk and uncertainty It was impossible to foresee how the market would turn over the next months, and this uncertainty made a profit forecast impossible

Sales increases in the first five months were shown only in the steel, trading and services sectors, while the shipbuilding, machinery, building and process plant divisions failed to reach last year's sales levels, chiefly because of the booking pattern of large orders.

The group order book was valued at some DM10.7bn at the end of May and new orders taken in the first five months were 9 per cent up on the corresponding period last year.

Sales last year fell in three of the Krupp divisions, process plant by 3 per cent, machinery building by 2 per cent and shipbuilding by 32 per cent, but all these sectors showed a healthy increase in new orders. Krupp's worldwide turnover—it does not produce a fully consolidated profit and loss account—increased last July by 7 per cent to DM 12.8bn.

Air France meets main performance targets

BY OUR PARIS STAFF

THE BOARD of Air France, the French nationalised airline, says that the company last year met all of the main targets established by the Government in its management contract.

Apart from making profits at group level and in all of its subsidiaries, the company was able to create 900 jobs and increase passengers per kilometre 7 per cent.

Net profits for the year, after charging losses on Concorde operations, amounted to FFr 214m ($50.7m) compared with the forecast FFr 210m. Cash flow rose from FFr 885m to FFr 1.2bn.

Prospects this year, adds the Board, are not so favourable for growth because of the slowdown in business and the stagnation of the U.S. market. The company is also expecting 1981 to be particularly difficult.

● Operating profits of Societe Generale, one of the French state-owned banks, will rise this year due to increased interest rates, M. Maurice Laure, chairman said. In 1979 the bank's net profits slipped to FFr 511.4m from FFr 662.9m after higher tax, depreciation and provisions due to a revaluation of the balance sheet.

The bank plans to open 18 new offices abroad in 1980

THE MURDOCH EMPIRE

Wheeling and dealing on three continents

BY JAMES FORTH IN SYDNEY

THE RISE of Mr. Rupert Murdoch and his news publishing empire has been spectacular. It has mushroomed from a small, troubled afternoon newspaper in Adelaide, to an international octopus with major activities in Australia, the UK and the U.S.

The pace of expansion has quickened in recent months. Over the past 12 Mr. Murdoch has indulged in a burst of wheeling and dealing, including an audacious and not entirely unsuccessful, attempt to take control of Australia's largest press group, the Herald and Weekly Times.

Through this activity, the News group has gained control of major television interests in Melbourne and Sydney and has diversified into part ownership of Australia's only domestic private airline.

More recently Mr. Murdoch has moved into energy with an investment in the Cooper Basin fields in South Australia, which supply Sydney and Adelaide with natural gas. He is also in an Australian film-making venture called R and R Films with Mr. Robert Stigwood, another local boy who has made good abroad.

Mr. Murdoch has always had newspapers in his blood. His father, Sir Keith Murdoch, was the man who turned the Herald and Weekly Times into a national newspaper Press chain. He rose from a reporter to editor in 1921 at the age of 35 and ultimately to chief executive. Under his reign the Herald and Weekly Times was virtually his personal fiefdom. During this period the company sold him the Adelaide News, which was to become the springboard for his son's empire.

Sir Keith died in 1952 when his son was in England at Oxford University, returning to Australia the following year after working short stints as a general reporter on the Birmingham Gazette and as a junior sub-editor on the London Daily Express. When his father's estate was settled Mr. Murdoch was left with the Adelaide News, an afternoon newspaper. The Herald and Weekly Times got his father's Queensland newspaper holdings.

By 1960 Murdoch had achieved a ten-fold increase in News' profits. He started on the expansion trail almost immediately he became a proprietor. In 1956 he bought a Sunday newspaper in Perth. In 1960 he bounded into the hurly-burly of Sydney, the most competitive newspaper city in Australia.

From there he built up a chain of suburban newspapers in the major cities. In 1964 he launched an ambitious project — the Australian, a quality national daily printed in several states. It has never been the commercial success he hoped, but it is still publishing.

In January 1969 Mr. Murdoch started on the international trail. The UK's News of the World, headed by the Carr family, received an unwelcome takeover bid from Mr. Robert Maxwell's Pergamon Press. The story was filed to Australia by the News' London office, attracting Mr. Murdoch's attention.

He appeared quickly in London and stunned the London Press by backing the Carrs. News ended up with 49.9 per cent of News of the World.

In 1973 Mr. Murdoch, reportedly bored with London where he had spent most of his time since the News of the World and Sun acquisitions, turned his sights on the U.S. He started with two papers in San Antonio, Texas, and in 1974 launched a national weekly, The Star.

He followed with the acquisition of New York's only afternoon daily, the New York Post after persuading its elderly proprietor, Mrs. Dorothy Schiff, to sell to him—something American proprietors had been unable to accomplish.

Then came a bitterly opposed takeover of the New York and New West Magazine group, partly financed by funds sitting idle in the Post's coffers. Last year Mr. Murdoch turned his attention back to Australia. He snapped up control of United Telecaster Sydney, which operates one of Sydney's three television stations, in a A$34m ($US39m) share purchase battle and is currently in the process of mopping up the remaining shares.

In September he picked up about 4 per cent of Ansett Transport Industries at the height of a three-way struggle between Ampol Petroleum, Thomas Nationwide Transport and Perth businessman Mr. Robert Holmes a court aimed at wresting control from Ansett's founder, Sir Reginald Ansett.

The 12 years which rocked Fleet Street

BY JOHN LLOYD, LABOUR CORRESPONDENT

MR. RUPERT MURDOCH entered Fleet Street 12 years ago when he acquired the News of the World in the face of a £35m bid from Mr Robert Maxwell's Pergammon Press. In the following year, he took the Sun from the Daily Mirror Group (who assumed it would die) for a pittance. Since then he has become both a Press baron on Fleet Street and abroad.

In Australia, he owns the Australian, the Sydney Daily Mirror, the Melbourne Truth and a television and radio network. In the U.S., he controls the daily New York Post and several magazines. In the UK, he runs, besides the two national newspapers, four provincial chains.

The Sun, with a circulation of around 3.9m, is the country's most popular daily paper. The News of the World, at around 4.5m, remains the most popular Sunday. Expansion continues in a confident fashion: the group is poised to spend £40m on a new plant in London's docklands, increasing its printing capacity and starting a minor trend out of Fleet Street to Tower Hamlets.

Yet, for the first time in the dozen years that Mr Murdoch has made his mark on Fleet Street, the advance of his paper has slowed. Though News International made record pre-tax profits last year—just under £30m, of which the national papers contributed nearly £18m—the Sun has shown some slight loss of copies and the News of the World a major decrease.

Mr Murdoch yesterday admitted that the News of the World was a worry. Mr Bert Hardy, its managing director, resigned last September, while Mr Bernard Shrimsley, the paper's editor for five years, left in April. Mr Murdoch said that he had tried hard to get the paper to go tabloid, but the "unions always asked too high a price—it wasn't worth it." It will thus stay broadsheet size, with all plans for a tabloid edition shelved.

He has also seen plans to print in Scotland stymied by Scottish print unions, though that project does remain active. And, like other national newspapers with provincial chains, he was hit (twice) by industrial action taken by the National Graphical Association in support of its provincial members' pay claim, action which cost News International around £1m.

The operation is, he says, grossly overmanned, and he does not believe that the move to Docklands will provide an opportunity to improve the staffing ratios. "We keep chipping away—we got staff down by about 120 in the past year. We consider that industrial relations, by and large, are quite good here."

Strangely perhaps, he does not see competition from other newspapers as such a large problem. The Sun continues to outsell the Daily Mirror by several hundred thousand copies each day, and he does not believe that the Star presents an enormous threat.

"People, especially elderly people, are now often buying two papers—the Sun and the Star, say, or the Star and the Mirror. If the Star folded—and I have no opinion on that—there would only be about 500,000 extra sales." (The Star now claims a circulation of around 1.1m.)

Even more strangely, too, from the man who brought the attractions of Playboy to daily papers, he sees the weapons of the popular newspaper war as being "words . . . ideas."

Though the Star has gone over to colour pin-ups, he has no plans to follow suit. Indeed, he benefits: News International's printing subsidiary Eric Bemrose does the Star's colour printing, another one of Fleet Street's many ironies.

U.K. CIRCULATION FIGURES

	October '78 to March '79	October '79 to March '80	
NATIONAL DAILIES			
Daily Express	2,446,762	2,313,083	−133,679
Daily Mail	1,962,506	1,935,880	−26,626
Daily Mirror	3,642,240	3,585,187	−57,053
Daily Star	—	965,904	—
Sun	3,869,355	3,845,575	−23,780
Daily Telegraph	1,440,729	*1,446,103	+5,374
Financial Times	195,279	*196,322	+1,043
Guardian	336,745	*367,807	+31,062
Times	Suspended	*325,851	—
NATIONAL SUNDAYS			
News of the World	4,825,367	4,576,865	−248,502
Sunday Express	3,293,965	3,106,077	−187,888
Sunday Mirror	3,874,902	3,845,211	−29,691
Sunday People	3,932,146	3,917,188	−14,958
Observer	955,773	*1,010,374	+54,601
Sunday Telegraph	1,066,956	*1,007,549	−59,407
Sunday Times	Suspended	*1,408,678	—

* 3 Monthly Averages Jan./March 1980.

Expansion plan aims to double CGE sales

By Terry Dodsworth in Paris

M. AMBROISE ROUX, chairman of Compagnie General d'Electricite (CGE), France's leading electrical group, has mapped out an ambitious expansion plan to shareholders designed almost to double sales in the period up to 1983.

According to this programme, consolidated profits this year are scheduled to rise by almost 7 per cent to more than FFr 500m ($121.95m). On this basis dividends should be maintained at their 1979 level of FFr 25 a share net, but at the same time the equity base will also be increased by 12.5 per cent to a scrip issue.

The aim of the Group's long-term strategy is to have some 40 per cent of its activity outside France by 1983. It will be investing some FFr 7bn, either to expand internally or to acquire new activities. Some FFr 6bn of this expenditure will be financed from cash flow, and the rest from diverse sources, including investments.

M. Roux indicated to shareholders that the Group was looking for exceptional growth from its telecommunications and office automation iterests. This sector, in which CGE is represented by CIT-Alcatel, is expected to realise sales of FFr 12bn by 1983 compared with FFr 3.5b last year, using about FFr 3bn worth of investment in the process of this growth.

The Group is also aiming to spend another FFr 1b on research and development in new energy technology, a sector in which it also sees the prospect of exceptional growth.

Commenting on the Group's performance last year, when consolidated profits reached FFr 467m, M Roux said that the outcome had been rather better than expected following the long strike at Alsthom-Atlantique, its heavy engineering affiliate. Consolidated sales rose by 10 per cent to FFr 35bn, and are expected to go up to FFr 44bn this year.

Kaiser Aluminum

KAISER ALUMINUM and Chemical chairman Mr. Cornell C. Maier expects second quarter earnings to be significantly above the $59.6m or $1.46 a share earned in the same period last year, reports AP-DJ from New York.

INTERNATIONAL COMPANIES and FINANCE

Norwegian smelter trebles earnings

BY FAY GJESTER IN OSLO

ELKEM-SPIGERVERKET, the Norwegian mining, metals and manufacturing group, had net group profits of NKr 135m ($27.8m) in the first four months of this year, compared with NKr 42m a year earlier.

Favourable market conditions for aluminium and ferro alloys were the main reason for the steep rise. But ES said markets for some ferro alloys are now showing signs of weakness so profits later this year are likely to slip from January-April levels. Turnover in the period was NKr 1.33bn, compared with NKr 1.08bn.

The group's steel division, which operates plants in the UK and Norway, was affected by the UK steel strike. This caused a stoppage at ES's two steel mills in Britain and hampered exports of reinforcing steel from a Norwegian plant.

ES has acquired Acro Welch Incorporated, a U.S. lock company, to promote development and marketing in America of the group's new lock system which uses a coded plastic card instead of a metal key. It claimed that the system has aroused great interest in the U.S. and said that its manufacturer ES company Trio-Ving, had received "several interesting orders."

From September 1 this year, the concern will shorten its name to Elkem "in view of the company's increasing international involvement."

● Dyno Industrier, the Norwegian plastics and chemicals group, has formed a subsidiary, Dyno Malaco, to produce and market chemicals for the offshore oil industry. Dyno has a 51 per cent stake in the new company and the rest is held by Malaco, a subsidiary of the Swedish Kema-Nobel group.

French software group ahead

BY JASON CRISP

TURNOVER of Cap Gemini Sogeti, Europe's largest computer services and software group, rose 23 per cent last year to FFr 455.2m ($110m). The company expects 1980 turnover to be about FFr 600m

The French-based group—of which the British Airways subsidiary International Aeradio Limited owns 10 per cent—had a net profit after tax of FFr 22m last year.

Two-thirds of Cap Gemini Sogeti's turnover and staff is based in France although it said it hopes sales outside its home country would rise to about 50 per cent. It is the prime contractor, unusual for a software company, in a consortium with CII-Honeywell Bull and Matra to provide a French telecommunications authority with the pilot scheme of electronic telephone directories in Brittany.

Fletcher Holdings doubles profit

By Dai Hayward in Wellington

FLETCHER HOLDINGS—one of New Zealand's industrial giants—has reported operating profit for the year to March of NZ$44.9m (US$45.3m) compared with NZ$21.2m for 1978-79. This year's profit includes a contribution from Tasman Pulp and Paper which is 56 per cent owned by Fletchers.

The company has declared a tax-free dividend of 21 per cent

Turnover at NZ$620m (US$626m) was up from NZ398m. The result was helped by improved exports amounting to N$Z107m. Total exports of all subsidiary and associated companies was more than NZ$200m.

The directors say the current share market price of NZ$4.00 represents only 65 per cent of conservatively valued assets as at end March this year.

The group has widespread interests in construction, fishing, paper and pulp making, and forestry.

In April Fletcher made a NZ$58m offer for Carter, Holt Holdings, a large timber company with interests in paper and pulp. However, late in May, the New Zealand Commerce Commission issued a restraining order preventing Fletcher from making any further moves to take over Carter. It was claimed that Fletcher contravened stock exchange regulations by acquiring more than 10 per cent of Carter's shares before announcing its bid.

KOMATSU FORKLIFT

Late starter looks overseas

BY RICHARD C. HANSON IN TOKYO

KOMATSU FORKLIFT COMPANY, the second largest Japanese forklift truck manufacturer, claims to be the only major machinery maker in Japan which did not suffer a drop in net profit during the long post oil crisis recession. And looking ahead, the company expects to double this year's projected record sales to Y100bn ($463m) by 1983.

Komatsu Forklift is a 30 per cent owned subsidiary of the giant Japanese construction equipment maker, Komatsu. The company began after the Pacific War as a sub-contractor to Komatsu, which brought it under the group wing in 1952 to produce forklifts (vehicles unknown in Japan until introduced by the occupying allied forces) which now represent 90 per cent of all its sales.

Despite a late start, Komatsu (and the Japanese fork-lift industry) has grown into a formidable world-wide competitor, and one which is beginning to attract unfavourable attention in Europe because of its rising exports.

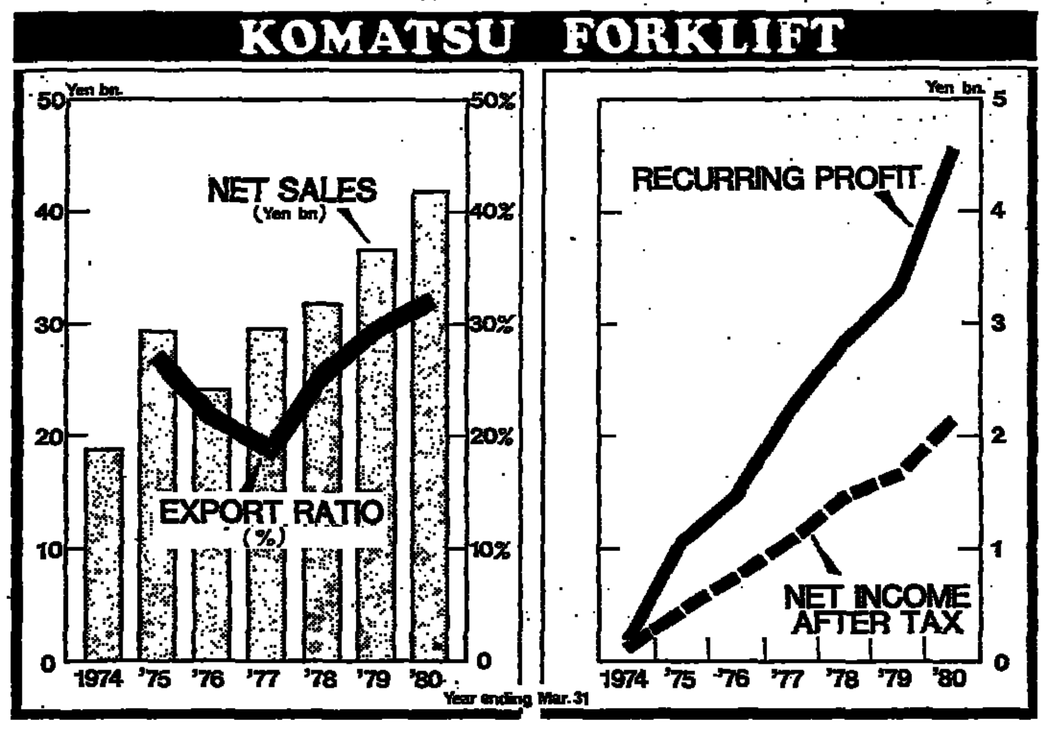
The Japanese (with Toyota Automatic Loom Works of the Toyota Motor group in the lead) produced about one third of all forklifts manufactured in the world last year. Japan itself is the second largest national market for forklifts, surpassed only by the U.S.

Demand in Japan in 1979 rose to 55,000 units compared with 90,000 in the U.S. and 78,000 for Western Europe as a whole. The Japanese have control over virtually 100 per cent of the home market. It is estimated that total imports of forklifts by Japan amount to less than half a dozen a year (making the 2 per cent share of the Japanese market held by foreign car makers look gigantic by comparison).

The very favourable market conditions are clearly reflected in Komatsu Forklift's sales and balance sheet. In the year to March 31 sales rose 14.2 per cent to Y42bn ($195m) (32 per cent of which were exports) and are expected to rise another 16.6 per cent this year to Y49bn. Net profit was up 32 per cent to Y2.14bn.

The company paid off all it's bank debt last year and increased its equity ratio from 36.3 per cent to 40.6 per cent—a degree of financial strength rare amongst Japanese companies.

KOMATSU FORKLIFT



Komatsu's success can be traced to three main factors. First, demand both at home and in overseas markets has been strong. Komatsu is particularly interested in building up its international side, having taken over responsibility for handling its own exports from the parent company in 1977. Earlier this yea rit established in Belguim a large new headquarters for Europe, its biggest export market.

Secondly, the company's top management, installed by the parent company, is aggressive. Under the present five year plan ending in 1983, sales are targeted at an ambitious Y100bn, or twive what they are expected to be this year. Lastly, Komatsu apears to be in the lead internationally in forklift and material handling technology.

Four years ago Komatsu developed the first completely automated material handling system, which uses unmanned forklifts controlled by computers. The main advantage of such a system is that it can be used under conditions in which a worker would be exposed to danger (such as nuclear installations and deep freeze warehouses). So far 20 systems, including one in Sweden, have been installed, each costing about Y100m. A large UK chemical company is also considering buying the system. By 1983, Komatsu estimates that the systems will represent 10 per cent of sales.

Komatsu has also introduced the first conventional forklift, equipped with a computer controlled lift, which eliminates much of the need for a highly skilled operator.

Other forklift makers in Japan and overseas have been slower in moving into these high technology areas. Toyoda for one believes that the nature of materials handling will change so rapidly over the next few years, that concentrating on upgrading the technology used in forklifts as now known will be of little value.

Komatsu is convinced, however, that keeping the lead in new technology is essential for its future growth. By 1983 60 per cent of the forklift trucks it now sells will either be significantly remodelled or will be completely new products. The five-year plan calls for increasing the number of forklifts produced from 24,000 last year to 38,000 in 1983, probably by adding a new plant.

Barring the possibility of a sudden downturn in the Japanese economy, which appears unlikely, Komatsu's strong performance will probably continue. The only other major danger is the threat of import restrictions and protectionism in Europe. Komatsu, like successful Japanese companies in other industries, is already becoming defensive about such a possibility.

OOCH issue to raise HK$110m

BY ANTHONY ROWLEY IN HONG KONG

ORIENT OVERSEAS Container (Holdings), the quoted arm of the Hong Kong shipping magnate, C. Y. Tung's group, which recently took over Furness Withy of the UK, yesterday announced a one-for-six rights issue at HK$2.25 a share, to raise a total of around HK$110m (equivalent to some U.S.$22.5m).

A funding operation by OOCH was not unexpected, as the company has become relatively highly geared, with outstanding payments on vessels, containers and chassis amounting to HK$1.5bn (around U.S.$300m). It is currently engaged in a vigorous programme of new vessel acquisition.

Moreover, analysts noted that the takeover of Furness Withy, at a cost of £113m, will put further strain on OOCH's gearing. The sale of vessels is considered to be another option by which the company may reduce borrowings or improve liquidity.

OOCH's net profit for the financial year ended December 31, 1979 was HK$169m, including extraordinary profits of HK$7.9m. OOCH shares traded here yesterday at HK$3.45 each. The company said that the payment date for the rights is July 28. Another arm of C. Y. Tung's empire, Rendish Investments, recently acquired a 37.6 per cent stake in Manchester Liners, of the UK.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	3.6.80	10.6.80	AVERAGE YIELD	3.6.80	10.6.80
DM Bonds	95.66	95.82	DM Bonds	8.411	8.389
HFL Bonds & Notes	93.36	93.64	HFL Bonds & Notes	9.751	9.695
U.S. $ Strt. Bonds	88.99	90.22	U.S. $ Strt. Bonds	11.129	10.892
Can. Dollar Bonds	91.38	91.34	Can. Dollar Bonds	11.472	11.468

Finance for Pernas development

By Wong Sulong in Kuala Lumpur

PERNAS PROPERTIES, a subsidiary of the Pernas conglomerate, has obtained a loan of 21m ringgit (U.S.$9.8m) to finance part of the cost of building a 37-storey building in Kuala Lumpur.

The loan, carrying an undisclosed fixed interest rate over 12 years, is provided by eight banks and insurance companies led by Asian International Merchant Bankers.

The building, on 2.4 acres of prime land in Kuala Lumpur, is expected to cost 60m ringgit and will be fully completed by 1982. It would be used as the headquarters of the Pernas group, the interests of which range from banking to manufacturing, mining, plantations and trading.

In another announcement, Pernas Properties said that it was planning to build a 200m ringgit office and shopping complex on land adjacent to the Pernas headquarters building, in partnership with three French concerns—Societe des Centres, a planning and management company, SFYH, an architectural firm, and Societe Enterprise, a property concern.

A final feasibility study was being conducted on the venture, Pernas properties said.

Bank Hapoalim plans record funding

By L. Daniel in Tel Aviv

Bank Hapoalim, Israel's second largest bank, intends to increase its registered capital by I£1bn (slightly less than £10m sterling) prior to a rights issue and an offering of shares and options to the public.

The size has not yet been announced, but the bank says this will be the largest issue ever placed on the Tel Aviv stock exchange. In April, Bank Leumi raised I£1.5bn (just under £15m sterling), while Israel Discount Bank Bankholding Corporation last week floated an issue of shares and options which raised the equivalent of £10m sterling, and which was six times oversubscribed.

This week, Israel Union Bank—one of the medium-sized banks controlled by Bank Leumi—has published a prospectus announcing the increase of its capital by I£340m to I£1.18bn, by way of a rights issue on the basis of one for each five shares held.

Chrysler Australia

Chrysler Australia, which is 99 per cent owned by Mitsubishi Corporation and Mitsubishi Motors Corporation, is to redeem all its issued preference shares by December 31, Reuter reports from Adelaide.

CURRENCIES, MONEY and GOLD

£ and $ rise

Sterling and the U.S. dollar both improved slightly in currency markets yesterday in rather featureless trading. Sterling rose on small demand as it became clearer that UK interest rates were unlikely to decline in the short-term. While the dollar's firmer tendency reflected a tightening of Euro-dollar rates, trading in New York saw the U.S. unit fall back on news of a major bank reducing its prime rate to 12 per cent from 13 per cent. Most currencies traded within a very narrow band, with no clear indication coming out of the latest OPEC meeting in Algiers.

The dollar rose to DM 1.7645 from DM 1.7620 against the D-mark and SwFr 1.6285 from SwFr 1.6225 in terms of the Swiss franc. It was also firmer against the Japanese yen, rising to Y217.5 from Y215.8. On Bank of England figures, the dollar's trade weighted index rose from 83.2 to 83.4.

Sterling was firmer overall, rising to 73.7 on a trade weighted basis from Tuesday's close of 73.5, having stood at 73.6 at noon and in the morning. Against the dollar it opened at $2.3300 and rose to a high of $2.3330 before coming back to $2.3350. Most of the day's trading was seen around this level, and sterling closed at $2.3340-2.3350, a rise of just 15 points from Tuesday's close. Later in New York, it was quoted at $2.3425.

D-MARK—Showing renewed strength against the dollar and steady within the European Monetary System, following firmer rates in Frankfurt, and lower U.S. interest rates—The dollar was fixed at DM 1.7635 at yesterday's fixing in Frankfurt, up from Tuesday's level of DM 1.7599. The Bundesbank bought a nominal $150,000 at the fixing and was absent in trading outside the fixing. The U.S. unit showed a slightly firmer tendency initially as Euro-dollar rates firmed, but fell back later in the day on easier Euro-dollar rates. Within the EMS the D-mark lost ground, with the Belgian franc rising to DM 6.23 from DM 6.217 per BFr 100, and the Danish krone higher at DM 32.18 per DKr 100 against DM 32.16. On the other hand the French franc slipped to DM 42.90 per FFr 100 from DM 42.94. Sterling was firmer at DM 4.1190 compared with DM 4.1080.

BELGIAN FRANC—Remaining firm within EMS despite steady easing of interest rates by Belgian authorities — The Belgian franc was generally stronger against its EMS partners at yesterday's fixing in Brussels, with the D-mark lower at BFr 16.0525 against BFr 16.0745 and the French franc easier at BFr 6.8817½ against BFr 6.8995. The Danish krone was fixed at BFr 5.1625 against BFr 5.17, while the Italian lira dipped to BFr 3.3965 from BFr 3.4053 per L100. Outside the EMS the dollar rose to BFr 28.30 from BFr 28.29, and sterling was stronger at BFr 66.135 compared with BFr 65.8625.

JAPANESE YEN—Energy and balance of payments problems reflected in sharp decline last year. More recently lower U.S. interest rates have helped the yen recover—The dollar improved against the yen in Tokyo yesterday, closing at Y217.675 compared with Y215.80 on Tuesday. The U.S. unit had been improving steadily during the morning from an opening level of Y216.60, and rose on news of the oil price rises, and the Bank of Japan abstained from any intervention in the market.

THE POUND SPOT AND FORWARD

June 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3300-2.3380	2.3340-2.3350	1.87-1.77c pm	9.35	4.52-4.42 pm	7.66
Canada	2.6725-2.6825	2.6755-2.6765	1.20-1.10c pm	5.16	3.55-3.45 pm	5.23
Nethlnd.	4.50-4.54	4.52½-4.53½	3-2c pm	6.62	7¼-6¼ pm	5.98
Belgium	65.95-66.35	66.00-66.10	17-7c pm	2.18	42-32 pm	2.24
Denmark	12.76-12.83	12.78½-12.79½	½-2½ore dis	−1.29	7½-9½ dis	−2.66
Ireland	1.1045-1.1100	1.1055-1.1085	0.03c pm-0.01dis	0.11	0.22-0.17 pm	0.70
W. Ger.	4.10-4.13½	4.11½-4.12½	3½-2½pf pm	8.73	8¼-7¼ pm	7.52
Portugal	113.40-114.40	114.15-114.35	25c pm-15 dis	0.52	25pm-85dis	−0.35
Spain	162.60-163.80	163.70-163.80	20c pm-35 dis	0.55	35pm-85dis	−0.61
Italy	1938-1948	1942½-1943½	1½lire pm-½ dis	0.62	7¼-9½ dis	−1.70
Norway	11.29-11.34½	11.31-11.32	8-6½ore pm	7.62	18¼-16½ pm	6.14
France	9.56½-9.62½	9.58½-9.59½	4¼-3¼c pm	4.69	10¾-9¾ pm	4.27
Sweden	9.69-9.74	9.72¼-9.73¼	4¼-3¼ore pm	4.62	6¼-5¼ pm	2.36
Japan	502-510	507½-508½	2.65-2.05y pm	5.55	7.80-7.10 pm	5.79
Austria	29.27-29.45	29.37-29.42	21-18gro pm	7.97	53-48 pm	6.74
Switz.	3.78-3.82	3.80-3.81	4½-3½c pm	12.22	11½-10½c pm	11.17

Belgian rate is for convertible francs. Financial franc 66.95-67.05. Six-month forward dollar 6.52-6.42c pm. 12-month 9.35-9.25c pm.

THE DOLLAR SPOT AND FORWARD

June 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3300-2.3380	2.3340-2.3350	1.87-1.77c pm	9.35	4.12-4.42c pm	7.68
Ireland†	2.1070-2.1095	2.1070-2.1085	1.75-1.65c pm	+9.76	4.60-4.40 pm	8.53
Canada	1.1473-1.1502	1.1473-1.1478	0.37-0.42c dis	−4.13	0.57-0.62dis	−2.07
Nethlnd.	1.9340-1.9385	1.9360-1.9375	0.35-0.45c dis	−2.48	0.77-0.87dis	−1.69
Belgium	28.00-28.33	28.26-28.28	15-16c dis	−6.57	37-40 dis	−5.44
Denmark	5.4790-5.4935	5.4920-5.4935	5.10-5.60ore dis	−11.69	13¾-14¼dis	−10.19
W. Ger	1.7610-1.7680	1.7640-1.7650	0.05-0.15pf dis	−0.68	0.05-0.15dis	−0.23
Portugal	48.70-49.05	48.95-49.05	30-45c dis	−9.18	80-130 dis	−8.57
Spain	69.92-70.26	70.21-70.26	50-65c dis	−9.82	130-155 dis	−8.11
Italy	832.65-833.40	833.00-833.30	5.65-6.75lire dis	−8.85	19.0-20½dis	−9.48
Norway	4.8445-4.8510	4.8445-4.8455	0.55-1.05c dis	−1.98	1.60-2.10dis	−1.53
France	4.1090-4.1185	4.1090-4.1110	1.22-1.32c dis	−3.71	3.15-3.35dis	−3.16
Sweden	4.1625-4.1675	4.1660-4.1675	1.85-1.85ore dis	−5.47	5.80-5.95dis	−5.63
Japan	216.4-217.7	217.45-217.55	0.65-0.85y dis	−4.13	0.95-1.15dis	−1.93
Austria	12.555-12.582	12.582-12.592	1.50-2.10gro dis	−1.71	1.80-3.60dis	−0.85
Switz.	1.6230-1.6330	1.6285-1.6295	0.45-0.35c pm	2.94	1.60-1.50 pm	3.80

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

June 11	Bank of England Index	Morgan Guaranty Changes%
Sterling	73.7	−32.2
U.S. dollar	83.5	−10.4
Canadian dollar	81.9	−15.9
Austrian schilling	156.5	+24.2
Belgian franc	115.9	+14.3
Danish kroner	107.3	−4.3
Deutsche mark	155.6	+44.5
Swiss franc	198.2	+79.8
Guilder	125.6	+19.7
French franc	101.4	−5.9
Lira	53.4	−50.9
Yen	130.3	+28.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

June 10	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.567743	0.611767
U.S. $	12	1.32341	1.42328
Canadian $	11.83	1.52245	1.63734
Austria Sch	6¾	16.5903	17.8337
Belgian F	14	37.4393	40.3357
Danish K	13	7.22582	7.80667
D'Mark	7½	2.32907	2.51066
Guilder	10	2.55484	2.75546
French Fr.	9½	5.42400	5.84967
Lira	15	1098.76	1185.95
Yen	9	286.121	307.855
Norwgn. Kr.	9	6.40067	6.89720
Spanish Pts.	8	92.3211	99.3020
Swedish Kr.	10	6.49215	6.92724
Swiss Fr.	3	2.14789	2.31268

OTHER CURRENCIES

June 11	£	$		£ Note Rates
Argentina Peso	4273-4293	1831-1838	Austria	29.10-29.45
Australia Dollar	2.0190-2.0300	0.8660-0.8664	Belgium	66.45-67.05
Brazil Cruzeiro	117.90-118.90	50.61-50.81	Denmark	12.74-12.84
Finland Markka	850.00-850.80	3.6450-3.6470	France	9.54-9.60
Greek Drachma	99.902-102.224	42.90-43.20	Germany	4.105-4.135
Hong Kong Dollar	11.4340-11.4665	4.9040-4.9070	Italy	1910-1970
Iran Rial	n/a	n a	Japan	506-511
Kuwait Dinar(KD)	0.619-0.625	0.2673-0.2678	Netherlands	4.50-4.53
Luxembourg Frc.	66.00-66.10	28.26-28.28	Norway	11.27-11.36
Malaysia Dollar	4.987-4.990	2.1390-2.1410	Portugal	110-114
New Zealand Dlr.	2.3590-2.3620	0.9880-0.9890	Spain	157.75-164.50
Saudi Arab. Riyal	7.72-7.78	3.3280-3.3310	Sweden	9.68-9.76
Singapore Dollar	4.9530-4.9630	2.1250-2.1270	Switzerland	3.77-3.80
Sth. African Rand	1.8240-1.8255	0.7754-0.7760	United States	2.3290-2.3380
U.A.E. Dirham	8.59-8.65	3.7000-3.7030	Yugoslavia	62.00-66.00

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 11	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.2623	+1.19	+0.62	±1.53
Danish Krone	7.72336	7.80175	+1.01	+0.44	±1.64
German D-Mark	2.48208	2.51246	+1.22	+0.65	±1.125
French Franc	5.84700	5.85737	+0.18	−0.39	±1.3557
Dutch Guilder	2.74362	2.75661	+0.47	−0.10	±1.512
Irish Punt	0.668201	0.675643	+1.11	+0.54	±1.668
Italian Lira	1157.79	1186.22	+2.46	+2.40	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

June 11	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.335	4.123	508.0	9.593	3.805	4.530	1943	2.676	66.05
U.S. Dollar	0.428	1.	1.766	217.6	4.109	1.630	1.940	832.3	1.146	28.29
Deutschemark	0.243	0.566	1.	123.2	2.327	0.923	1.099	471.3	0.649	16.02
Japanese Yen 1,000	1.969	4.595	8.115	1000.	18.88	7.490	8.917	3825.	5.268	130.0
French Franc 10	1.042	2.434	4.298	529.6	10.	3.967	4.722	2026.	2.790	68.86
Swiss Franc	0.263	0.614	1.083	133.5	2.521	1.	1.191	510.6	0.703	17.36
Dutch Guilder	0.221	0.515	0.910	112.1	2.118	0.840	1.	428.9	0.591	14.58
Italian Lira, 1,000	0.515	1.201	2.122	261.5	4.937	1.958	2.331	1000.	1.377	33.99
Canadian Dollar	0.374	0.872	1.541	189.8	3.585	1.422	1.693	726.1	1.	24.68
Belgian Franc 100	1.514	3.534	6.241	769.1	14.52	5.761	6.858	2942.	4.051	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 11)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 1/16	offer 9 5/16	bid 9¼	offer 9½

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

June 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	—	8⅜-8½	12-14	11-11¼	9½-9¾	9½-9⅝	12¼-12½	14-17	8⅜-8½	12⅞-13
7 days' notice	19½-20½	8½-8⅝	12-14	11-11¼	6½-8½	9½-9¾	12⅜-12⅝	15-18½	8½-8⅝	12½-12¾
Month	17¼-17¾	8½-8⅝	12¼-12⅝	10⅞-11⅛	6⅛-6½	9⅞-9⅞	12⅜-12⅝	16½-18	8⅜-8½	12⅝-12⅞
Three months	16⅛-16⅜	9⅛-9¼	11⅛-11⅝	10½-11	5⅞-5⅛	9⅝-9⅞	12⅝-12⅞	17½-19	8⅞-9	11¾-12
Six months	14⅞-15⅛	9⅛-9⅜	10⅝-11	10⅜-10⅝	5⅞-5⅞	8⅞-9	12⅜-12⅝	17½-18⅛	9⅛-9⅜	10⅝-10⅞
One year	13½-13⅞	9⅛-9⅜	10⅛-10⅜	10⅛-10⅜	5-5⅛	8¾-8⅞	12⅜-12½	18-19	9⅛-9¼	8⅞-9

The following nominal rates were quoted for London dollar certificates of deposit one-month 8.70-8.80 per cent; three-months 8.75-8.85 per cent; six-months 8.70-8.80 per cent; one year 8.85-9.05 per cent.

Long-term Eurodollar two years 10¼-10½ per cent; three years 10½-10¾ per cent; four years 10½-10¾ per cent; five years 10¾-11 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Europe rates ease

Despite the termination of the Dutch central bank special advance to the Amsterdam money market this week credit remains in good supply, and the market shortage remains well within the limits set by the authorities near the end of April. Further liquidity has been supplied by official intervention in the foreign exchange market, through purchases of D-marks and dollars earlier this week.

Money market rates are generally steady, with call money at 11-11½ per cent, unchanged from Tuesday, while short-term deposit rates were slightly easier.

In Paris interest rates were slightly easier, although call money was unchanged at 12.375 per cent. The Bank of France offered liquidity to the market through purchases of first category paper. Period rates in the money market were slightly easier, with three-month declining to 12.3125 per cent from 12.375 per cent and six-month to 12.0625 per cent from 12.25 per cent.

In Frankfurt short term rates also had an easier trend, with one-month quoted at 10.00-10.20 per cent compared with 10.05-10.20 per cent: three-month at 10.10-10.30 per cent against 10.15-10.30 per cent: six-month at 9.75-9.95 per cent compared with 9.80-10.00 per cent and 12-month at 9.30-9.50 per cent against 9.40-9.60 per cent. Call money was unchanged at 9.90-10.00 per cent.

UK MONEY MARKET

Small help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in slightly short supply in the London money market yesterday, and the authorities gave assistance by buying a small amount of Treasury bills from the discount houses.

Banks brought forward small run-down balances, and there was a small net take-up of Treasury bills to finance. These factors exceeded a small excess of Government disbursements over revenue payments to the Exchequer.

Discount houses paid 16-16½ per cent for secured call loans at the start, and closing balances were taken at 10-13 per cent.

In the interbank market overnight loans opened at 16¼-16½ per cent, and fell to 10 per cent, before rising to 17 per cent at the close.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK	
Prime Rate	12-13
Fed Funds	8½-8¾
Treasury Bills (13-week)	8.65
Treasury Bills (26-week)	7.20
GERMANY	
Discount Rate	7.5
Overnight Rate	9.95
One month	10.10
Three months	10.20
Six months	9.65
FRANCE	
Discount Rate	9.5
Overnight Rate	12.375
One month	12.375
Three months	12.3125
Six months	12.0625
JAPAN	
Discount Rate	9.0
Call (Unconditional)	12.5625
Bills Discount (three-month)	13.6875

GOLD

Slight fall

Gold fell $2 an ounce in the London bullion market yesterday to $600-604. After a low of $587-590, the metal firmed throughout the day to finish at its best level. Trading was fairly quiet with the occasional burst of heavy activity. Interest was renewed when the metal fell below $600, but the overall picture remained uncertain in the light of the current OPEC meeting and lower U.S. interest rates.

In Paris the 12½ kilo bar was fixed at FFr 70,100 per kilo ($595.56 per ounce) compared with FFr 79,300 ($599.57) in the morning and FFr 79,000 ($598.52) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,850 per kilo ($597.04 per ounce) against DM 34,350 ($603.04) previously, and it closed at $598-602 per ounce compared with $603-606.

In Zurich gold closed at $601-606 against $600-605 previously.

	June 11		June 10	
Gold Bullion (fine ounce)				
Close	$600-604	(£257-259)	$602-606	(£258-260)
Opening	$587-591	(£251½-253½)	$617-621	(£265½-265¼)
Morning fixing	$595.00	(£254.687)	$606.50	(£260.356)
Afternoon fixing	$596.00	(£255.465)	$604.00	(£258.285)
Gold Coins				
Krugerrand	$620½-624	(£265-267½)	$621-624	(£266-268)
Mapleleaf	$615-620	(£262¼-265½)	$615-620	(£262½-265½)
New Sovereigns	$152-153½	(£65-66)	$152½-154	(£65¼-66¼)
King Sovs	$180-183	(£77-79)	$182-184	(£78-80)
Victoria Sovs	$180-183	(£77-79)	$183-185	(£78½-80½)
French 20s	$155-158		$154-157	
50 pesos Mexico	$744-749		$747-752	
100 Cor. Austria	$586-592		$590-595	
$20 Eagles	$683-687		$680-685	
$10 Eagles	—		—	
$5 Eagles	—		—	

LONDON MONEY RATES

June 11 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-17	—	—	—	17	10-16¼	—	—	—
2 days notice	—	—	16⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	17¼	17⅝	16½	—	—	—
7 days notice	—	16¾-17	16⅞	—	—	17½	16½	15⅝-15⅞	17⅜	17⅛
One month	16⅛-16⅜	16⅞-17⅛	16⅞-17	17⅛-18	17⅜	—	16½-16¼	15⅞-15⅜	16⅞	17
Two months	16⅝-16⅝	16⅛-16⅝	—	17¼-17¾	17⅜	17¼	15¾-16	15⅝	16⅝	16¾
Three months	16⅛-16⅛	16½-16⅝	16½-16⅝	16¾-17⅛	17	16⅝	—	—	14¾	15¼
Six months	15⅛-15⅜	15⅝-15⅞	15¼-15½	16⅜-15⅞	16.3	15¼	—	—	—	—
Nine months	14⅛-14⅜	14⅝-14¾	—	15⅛-15⅝	14⅝	15⅛	—	—	—	—
One Year	14¼-14⅝	14⅝-14¾	14½-14⅞	14⅝-15	14½	—	—	—	—	—
Two years	—	—	14¼-14½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 14¼-14½ per cent; four years 14¼ per cent; five years 14 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15½-15¾ per cent; four-month trade bills 16¼ per cent.

Approximate selling rate for one-month Treasury bills 15⅝ per cent; two-month 15⅝-15⅞ per cent; three months 15⅞ per cent. Approximate selling rates for one-month bank bills 17⅛ per cent; two-months 16¾ per cent; three-months 16⅛ per cent; one-month trade bills 17¾ per cent; two-months 15¾ per cent; and three-months 16⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17½ per cent from June 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.9506 per cent.

APPOINTMENTS

APPOINTMENTS

Main Board director for NatWest

NATIONAL WESTMINSTER BANK has appointed to its main Board of directors Mr. John H. Vogel, chairman of the National Bank of North America, a wholly owned NatWest subsidiary. Mr. Vogel is the first American citizen to be appointed to the Board of NatWest. He is a member of the Association of Reserve City Bankers, the New York Clearing House Committee and the New York City Community Preservation Corporation.

★

THE BRITISH NATIONAL Oil Corporation has appointed Mr. Ian Goskirk as managing director of its subsidiary BNOC (TRADING) through which the corporation conducts its UK and international business in crude oil. Mr. Donald Millar has become general manager, trading, and Mr. Stuart Saint, general manager, supply. Mr. Kenneth Vaughan has been made assistant general manager responsible for business development. Mr. Alastair Morton is chairman of BNOC (Trading). Mr. Alan Ramsden has taken up his position as director of personnel for the corporation.

★

Mr. Joseph Rank is to relinquish the chairmanship of RANKS HOVIS McDOUGALL on January 31, 1981. He will become president and remain a director. Mr. P. W. J. Reynolds is to be chairman and will continue as chief executive. Mr. S. G. Metcalfe has been appointed deputy managing director from August 1, 1980 and will succeed Mr. Reynolds as managing director on February 1, 1981. Mr. R. C. Loombe is to be managing director of the cereals division from the beginning of August.

★

The Royal Bank of Canada has formed RBC INVESTMENT MANAGERS, a wholly owned subsidiary of its Guernsey company, Royal Bank of Canada (Channel Islands). The Board comprises Mr. T. J. Betley, chairman (managing director of RBC (C.I.)), Mr. J. J. Morris, managing director, Mr. N. O. Taube (senior partner, Kitkat and Aitken), Mr. R. C. Patersen and Mr. B. G. Pearmain (directors of RBC (C.I.)).

★

Mr. Edwin Furmston has been appointed director of overseas surveys at the OVERSEAS DEVELOPMENT ADMINISTRATION and survey adviser to the MINISTER FOR OVERSEAS DEVELOPMENT. He succeeds Mr. Douglas Warren who retired earlier this month.

★

Mr. Kenneth Renton has retired as chairman of the MORTAR PRODUCERS ASSOCIATION and has been elected honorary president. Mr. David Hannam, general manager designate of the mortar and special products division of Tilcon, has been appointed chairman of the Association. Mr. G. Cooper and Mr. A. H. Hodge have been re-elected secretary and treasurer, respectively. Dr. J. E. Cassidy has been elected to the council of the Association, succeeding Mr. J. Vernon who has retired. Mr. P. Hardy and Mr. D. J. R. Kevan have been re-elected to the council.

★

Mr. L. F. Hill has been appointed a director of HAT GROUP. He joins the company from Thorn EMI.

COMPANY NOTICES

ITO-YOKADO CO., LTD. (CDRs)

Referring to the advertisement of 5th February 1980 the undersigned announces that the new shares from 10% bonus have been received. As from June 23rd 1980 the new CDRs Ito-Yokado Co., Ltd. cum. div.cp.no. 14 and talon will be gratuitously obtainable at Kas-Associatie N.V., Spuistraat 172, Amsterdam against delivery of the required div.cps.no. 12. As to the outstanding CDRs of resp. 5, 50 and 100 Dep.Shs. of 10 Shs. each, a holder of 10 CDRs of the same denomination is entitled to receive one new CDR of that denomination.

Combination of denominations is possible.

In Luxembourg div.cps.no. 12 can be delivered at Banque Générale du Luxembourg S.A., 14, Rue Aldringen, for this purpose.

After 26.9.1980 the equivalent of the CDRs which have not been claimed by the holders of div.cps.no. 12 will be sold. The proceeds, after deduction of expenses, will be held in cash at the disposal of said holders.

Further the undersigned announces that as from June 23rd 1980 at Kas-Associatie N.V. in Amsterdam and at Banque Générale du Luxembourg S.A. in Luxembourg div.cp.no. 13 (accompanied by an "Affidavit") of the CDRs Ito-Yokado Co., Ltd. will be payable with $1.84 per CDR, repr. 5 Dep.Shs. of 10 Shs. each; $18.40 per CDR, repr. 50 Dep.Shs. of 10 Shs. each and $36.80 per CDR, repr. 100 Dep.Shs. of 10 Shs. each. (Div. per record-date 1.3.1980; gross Yen 9.5 p.sh.), after deduction of 15% Japanese tax =

Yen 71.25 = $0.32 per CDR repr. 5 Dep. Shs. of 10 Shs. each;
Yen 712.50 = $3.20 per CDR repr. 50 Dep. Shs. of 10 Shs. each;
Yen 1,425.00 = $6.40 per CDR repr. 100 Dep. Shs. of 10 Shs. each;
without an "Affidavit" 20% Jap. tax =
Yen 95.00 = $0.43 per CDR repr. 5 Dep. Shs. of 10 Shs. each;
Yen 950.00 = $4.30 per CDR repr. 50 Dep. Shs. of 10 Shs. each;
Yen 1,900.00 = $8.60 per CDR repr. 100 Dep. Shs. of 10 Shs. each
will be deducted.

After 1.10.1980 the div. will only be paid under deduction of 20% Jap. tax with resp. $1.73; $17.30 and $34.60 per rpr. resp. 5, 50 and 100 Dep.Shs. of 10 Shs. each in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 4th June 1980

ENSO-GUTZEIT OSAKEYHTIO

8% 1973/1988 FF 100,000,000.-

NOTICE IS HEREBY GIVEN to Bondholders of the above Loan that the amount redeemable on July 18, 1980 i.e. FF 4,000,000.- was bought in the market.

Amount outstanding: FF 82,000,000.-

Luxembourg, June 12, 1980.

THE FISCAL AGENT
KREDIETBANK
S.A. Luxembourgeoise

JAPANESE GOVERNMENT STERLING LOANS

The Bank of Tokyo, Limited, are instructed by the Japanese Government to announce that Coupon No. 33 due 30th June 1980 from Bonds of the JAPANESE GOVERNMENT 6% LOAN 1983/88 will be paid on and after 30th June, 1980.

They should be presented for payment at The Bank of Tokyo, Limited, 20/24 Moorgate, London EC2R 6DH, listed on the forms provided between the hours of 10.00 a.m. to 2 p.m. They must be left at least five clear days for examination prior to payment. Coupons cannot be accepted through the post.

For THE BANK OF TOKYO LIMITED
K. GOTO,
Resident Director for Europe & General Manager,
London Office.

12th June, 1980.

UNION DES BANQUES ARABES ET FRANCAISES U.B.A.F.

Loan of US$25,000,000 1977-1982 Floating Rates

Bondholders of this loan are hereby informed that the rate applicable to the interest period ending December 9, 1980 has been fixed at 10⅛%.

Coupon No. 6 will be payable as from December 9, 1980 at the price of US$51.47, equivalent to an interest of 10⅛% worked out on the basis of 183/360th covering the period from June 9, 1980 to December 8, 1980 inclusive.

The Fiscal Agent
CREDIT LYONNAIS LUXEMBOURG

EDUCATIONAL

LEGAL NOTICES

DARYLL SPORTS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 17th day of July, 1980, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Philip Monjack, FCA, ... Liquidator of the said Company ...

P. MONJACK, Liquidator.

BROWNES MANNING (PHOTOGRAPHIC) LIMITED

PUBLIC NOTICES

NEWPORT BOROUGH COUNCIL

BIRMINGHAM CORPORATION BILLS

CITY OF EDINBURGH

EXHIBITIONS

THE PALLADIUM CELLARS

WORLD STOCK MARKETS

NEW YORK

Dow adds 8.3 at mid-session

AFTER A slow start, Wall Street moved sharply higher late in the morning session in heavy dealings, boosted by a cut in Prime Rate to 12 per cent from 13 per cent by First National Bank of Boston, the first major bank to move to that level.

News that Egyptian and Israeli officials are to meet in Washington to restart stalled talks on Palestinian autonomy also aided sentiment.

The Dow Jones Industrial Average recorded a rise of 8.28 at 872.27 at 1 pm, while the NYSE All Common Index was 63 cents stronger at $66.06. Rising issues outpaced falls by a two-to-one margin after volume of 30.93m shares, against the previous day's 1 pm figure of 29.31m.

The market had been just narowly higher most of the morning as instiutional cash continued to move slowly into the stock market from the debt market. The decline in debt yields makes shares relatively more attractive investments, analysts said.

Volume leader **Boeing** rose 1⅛ to $36⅛. Swissair has ordered four Boeing 747 jet planes and two McDonnell Douglas DC-10-30's. **McDonnell Douglas** put on 1⅛ to $30¼.

Oils advanced on news of higher OPEC prices and positive corporate developments. Active **Exxon**, which rose 1⅛ on Tuesday, added ⅜ at $68⅜. It has found gas in the Baltimore Canyon. **Tenneco**, on a gas find in the Gulf of Mexico, climbed $1⅛ to $40⅜. Among Tenneco's partners, **Texaco** gained ⅜ to $37¼, **Gulf Oil** ½ to $44 and **Pogo Producing** ⅜ to $23⅜.

Mobil firmed ¾ to $78¼. A Florida court has upheld Mobil's claim to a half working interest in some disputed State leases.

Procter and Gamble lost $1 to $75¼. The company has announced management changes for its European and Latin American operations and domestic consumer product businesses.

IBM, which reported enhancements to its large computers, put on ¼ to $58⅛.

Biscayne Federal Savings and Loan receded 1⅛ to $25⅜. The company said it is continuing to hold talks with several companies but has no assurance of a bid for its stock.

THE AMERICAN SE Market Value Index climbed 3.14 more to 288.88 at 1 pm on turnover of 3.93m shares (3.18m).

Closing prices for North America were not available for this edition.

Canada

Shares showed a firmer tendency in another active early trade. The Toronto Composite Index advanced 13.4 to 2,040.1 at noon, while the Oil and Gas index rose 74.8 to 4,582.9 and Metals and Minerals 17.2 to 1,912.8, but Golds receded 40.6 more to 3,551.0.

Tokyo

With investor buying encouraged by an easing of margin trading curbs and speculation that the nation's Official Discount rate will be lowered soon, the market took a turn for the better yesterday in reasonably active trading.

The Nikkei-Dow Jones Average recovered 42.77 to 6,826.01 and the Tokyo SE index 2.50 to 466.43, while advances outscored declines on the First Market section by 389 to 225. Volume increased to 270m shares from Tuesday's 220m.

Light Electricals, some Motors, large capital issues, Precision Instruments, Chemicals, Foods, Sugars and Damage Insurances were among those particularly favoured.

...Sony advanced Y50 to Y2,030, **Victor Japan** Y100 to Y1,590, **Hitachi** Y6 to Y272, **Kobe Steel** Y5 to Y178, **Tokio Marine Insurance** Y17 to Y590, **TDK Electronic** Y70 to Y2,090, **Honda Motor** Y8 to Y579 and **Olympus** Y33 to Y819.

However, energy issues generally further weakened on profit-taking. **Nippon Oil** receded Y40 to Y1,990, **Toa Nenryo** Y11 to Y901, **Koa Oil** Y26 to Y807 and **Nippon Mining** Y9 to Y178, but **Teikoku Oil** picked up Y10 to Y1,350. Dealers said the OPEC pricing developments had made little impact.

Germany

After losing further ground, leading shares rallied with the aid of foreign buying to close higher for choice on balance.

Among Engineerings, **Linde** receded to DM 294.00 before improving to DM 298.50 for a net rise of DM 2. **KHD** put on DM 1.50 to DM 211.00 and **MAN** DM 2.80 to DM 187.00.

Daimler, after retreating to DM 265.00, were finally a net DM 1.50 firmer at DM 267.00. **Lufthansa** added DM 2.

On the Domestic Bond Market, the new Federal Loan was exhausted. Other Public Authority issues recorded small mixed movements. The Bundesbank sold DM 4.1m nominal of paper after purchases of DM 9.8m on Tuesday. Mark Eurobonds held steady.

Australia

Profit-taking continued to bring the Oil and Mining sectors down yesterday, with the retreat in the international Bullion price overnight upsetting sentiment in Gold Mining issues, while Industrials displayed an easier bias. However, selective buying late in the session produced a recovery in some issues.

The Sydney All Ordinaries index closed 4.20 lower at 865.49, while the Metals and Minerals Index relinquished 76.80 more at 5,408.82.

Among Industrials, **CSR**, after an early setback, rebounded to finish 10 cents up on the day at A$6.60, but **BHP** lost 10 cents to A$14.56.

In the Oils group, **Bridge** declined 26 cents to A$3.94, **Southern Pacific** 60 cents to A$19.90, **Santos** 25 cents to A$13.35 and **Endeavour** 3 cents to A$1.35, but **Woodside** ended a shade harder on balance at A$3.05.

Central Norseman Gold receded 24 cents to A$8.75, **Poseidon** 15 cents to A$3.45, **Bougainville** 10 cents to A$2.40, **North Broken Hill** 15 cents to A$3.30, **Western Mining** 13 cents to A$4.72 and **Utah** 10 cents to A$4.80.

Johannesburg

Moving in unison with the Bullion price, Gold shares repeated Tuesday's pattern of declining and staging a partial rally later in the session.

Buffels shed R1.50 to R46.00, **East Drie** R1.00 to R28.75 and **Doornfontein** 65 cents to R16.35, but **West Drie** and **Kloof** gained 50 cents apiece.

Hong Kong

Stocks mostly lost ground on profit-taking following the recent strong advance, but the market picked up later on renewed support to finish only modestly easier on the day. The Hang Seng index, down around eight points early in the session, closed a net 3.95 off at 951.99.

Hong Kong Land lost 20 cents at HK$11.60, **China Light** also 20 cents at HK$21.40 and **Hopewell** 40 cents at HK$11.20, but **Orient Overseas**, which announced a one-for-six rights issue, gained 2.5 cents to HK$3.475. **Cheung Kong** put on 10 cents to HK$14.10.

CANADA

Stock	June 10	June 9
Abitibi	19⅝	19⅜
Agnico Eagle	13¾	14½
Alcan Alumn.	32	32
Algoma Steel	31	31½
Asbestos	34	34
Bk Montreal	27¾	27⅝
[illegible]	[illegible]	[illegible]

BELGIUM (continued)

June 11	Price Frs.	+ or —
Petrofina	5,240	—30
Royale Belge	5,580	....
Soc Gen Banq	2,485	....
Soc Gen Belge	1,500	+46
Sofina	3,305	+25
Solvay	2,725	+15
Traction Elect.	2,535	—5
UCB	1,380	+38
[illegible]	[illegible]	[illegible]

HOLLAND

June 11	Price Fls.	+ or —
ACF Holding	75	+1
Ahold	67.5xd	—2
AKZO	24	+0.1
ABN	287	+1
AMEV	86.1	—0.3
AMRO	63.9	—0.4
Bredero Cert.	189.0	....
[illegible]	90.8	—0.7
[illegible]	[illegible]	[illegible]

AUSTRALIA

June 11	Price Aust. $	+ or —
ANZ Group	4.45	....
Acrow Aust	0.80	....
Allstate Expl.	1.40	—0.05
Ampol Pet.	1.35	+0.01
Assoc. Pulp Pap.	2.35	+0.05
Audimco	9.30	—0.01
Aust Cons Ind.	1.96	—0.01
Aust Guarant.	1.35	....
Aust Nat Inds.	2.60	....
[illegible]	[illegible]	[illegible]

JAPAN (continued)

June 11	Price Yen	+ or —
Kubota	360	....
Kumagai	550	....
Kyoto Ceramic	3,000	+10
Lion	383	+26
Maeda Cons.	456	....
Makita	975	+15
Marubeni	363	+1
Marudai	579	+19
Marui	665	+7
[illegible]	[illegible]	[illegible]

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

[illegible]

COMMODITIES AND AGRICULTURE

Chinese wheat offer not known

MELBOURNE—Neither the Australian Wheat Board (AWB) nor the government Department of Trade and Resources has any knowledge of any move by China to seek a further 3m tonnes of Australian wheat, Mr. John Williams, general manager of the AWB told Reuters.

Earlier, the Australian Associated Press (AAP) said China was believed to have offered Australia the opportunity to supply the wheat to replace a cancelled order from Canada.

The AAP story said China's move was in retaliation for a cancelled Canadian order for Chinese woollen goods.

On June 4, Canada and China signed a contract for the supply of 1.4m tonnes of Canadian wheat between July and next January under their long-term agreement.

● Brazil bought 24,000 tonnes of U.S. wheat for August shipment at tender at $160.98 per tonne fob, the Wheat Board said.

Canada urged to drop grain ban support

By Phillip Mackie in Ottawa

SASKATCHEWAN Wheat Pool president Ted Turner has charged that the U.S. appears to be violating conditions that won Canadian support for its grain embargo against the Soviet Union, and has urged that Canada should terminate its support of the grain embargo immediately.

Mr. Turner said the pool will *not support an extension of the* embargo beyond uly 31, the end of the current crop year in Canada.

In supporting the grain embargo, imposed in protest against the Soviet invasion of Afghanistan, Canada agreed last January not to make up any shortfalls experienced by the Russians. Sales would be kept to normal volume, which this year totalled 3.8m tonnes.

Mr. Turner said record corn and near record wheat exports from the U.S. had been making their way to Eastern European countries. He suggested there was little doubt much of it then went through to the Soviet Union.

Mr. Turner *said estimates* indicated Canada could have sold an additional 700,000 tonnes of grain to the Russians this year, if the embargo was *not in effect.*

Increased demand boosts sugar

BY RICHARD MOONEY

WORLD SUGAR prices rallied yesterday, ending the decline that had trimmed nearly £50 off recent 5½-year highs. The *October position on the London* futures market closed £15 up on the day at £364.125 a tonne. In the morning the London daily raw sugar price was fixed unchanged at £285 a tonne.

Dealers said the upturn reflected increased physical demand coupled with a reaction against the *decline, which* had itself been seen largely as a technical response to earlier excessive price levels. They said Tunisia, Bolvia and Iran have all bought sugar this week and Portugal is inviting offers today.

The rally will have been welcomed by traders who *successfully bid for sugar ex*port licences at yesterday's EEC export tender.

Following a cut in the *export* levy to 1.751 European currency units (ECUs) per 100 kilos from 6.58 ECUs *last week,* licences were *granted* covering 33,500 tonnes of white sugar. Last week no *exports* were *authorised.*

The Commission also authorised the export of 12,000 tonnes of raw sugar at the tender with a levy of 3.01 ECUs.

Yesterday's increased demand *for export licences was taken as* an indication that traders expected world prices to bounce higher following the recent sharp fall.

The export levy is intended to close the gap between the EEC sugar price and the world price, which has been the higher of the two for some weeks now. Yesterday's rise, if it is sustained, can therefore be regarded as straight profit by the *successful bidders.*

Thai sugar production in the first four months of 1980 was more than halved to 602,828 *tonnes raw value from 1.47m in* the same 1979 period, figures supplied to the International Sugar Organisation show.

Stocks at the end of April also fell steeply to 624,126 tonnes *from 1.28m. Exports* in the period declined to 229,225 tonnes from 252,359 the pre*vious year, while domestic con*sumption slipped to 208,302 tonnes from 248,796.

Sugar leads Iranian imports bill

BY ANDREW WHITLEY IN TEHRAN

FOR THE second year running Iran expects to import between 800,000 and 900,000 tonnes of sugar, more than double the amount before the revolution.

Sugar represents the largest single *item in a shopping bas*ket of foodstuffs and animal feed grains expected to cost the Iranian government at least $2.5bn in a full year.

The State has taken over most bulk commodity imports.

Diplomats from the main supplier countries say they have been informed that Iran expects to import at least as much sugar as last year, approximately 780,000 tones, because of difficulties in its own domestic production. At current prices 800,000 tonnes of sugar would cost Iran nearly $690m.

*Some 150,000 tonnes is cur*rently being delivered, and the official news agency has announced that orders for a further 250,000 tonnes of sugar are to be placed.

Other big *items on the shop*ping list are corn, barley, wheat, rice and meat. Of these only the dependence on imported wheat has been offset by higher *domestic plantings.*

The orders, placed wherever sufficient quantities can be found except in the U.S., underline *the* extent to which Iran would be vulnerable to economic sanctions covering food.

Government officials have said *that 1.75m tonnes of animal* feed has been ordered for this year, at a cost of rials 33bn ($468m) of which 400,000 tonnes have already been delivered. A planned expansion of poultry farms is being discouraged because of the high cost of feed imports.

Shortage of transport at the main commercial port Bandar Khomeini has led to a slowdown in the internal distribution of imports

Cocoa 'gamble' costs $95m

THE IVORY COAST'S attempt to boost cocoa prices by withholding supplies from *the market cost the country* an estimated $95m, Western cocoa experts said in Abidjan yesterday.

***Last October* *the Ivory* Coast started stockpiling cocoa rather than sell it on the world market at what it considered inadequate prices. The country said it would not sell at below FFr 1,400 (£145) per 100 kilos.**

But last week, following a remorseless decline in prices this year, it finally admitted defeat and sold 100,000 tonnes of its stockpile at about FFr 1,000 per 100 kilos.

The experts said this failed "gamble" caused a loss of $75m because of the price drop, plus $8m in lost interest on export earnings, $5m on financing the stockpile, and at least $7m on storage costs. Further losses are possible on *the remaining stocks, they* added.

Copper sharply down

By Our Commodities Editor

COPPER prices fell sharply again yesterday declining for the fourth trading day in succession. Cash wirebares closed £19 down at £841 a tonne, £50 below a week ago and the lowest level since early August last year.

The expected rise in oil prices and lower values in the New York copper overnight all combined to put the London market under pressure. So did the news that U.S. copper producers have been forced to cut their domestic selling prices by a *further 3 cents to 90 cents a* lb.

Particularly depressing were reports from the U.S. of an expected build-up in copper stocks there as a result of poor demand coinciding with an increase in exports from Japan.

The growth in surplus stocks is expected to nullify the impact of any strike by U.S. workers when their labour contracts expire at the end of this month.

Other metals followed the general decline in copper yesterday, notably nickel, where prices have until now resisted *the downward trend. An ex*pected rise in silver, following the firm trend in the U.S. overnight, failed to materialise as a result of the weakness in gold.

POTATO MARKET

An eye to the future

BY JOHN EDWARDS, COMMODITIES EDITOR

THE POTATO futures market to be launched on Monday next week at London's Baltic Exchange has been greeted with an equal mixture of enthusiasm, sceptism and indifference.

However its backers are con*fident that it will be of consider*able help to all sectors of the potato trade at a time when it is most needed.

Britain's membership of the Common Market, and a ruling by the European Court of Justice in 1978, means that the UK can no longer ban imports *of main-crop potatoes from* fellow members of the EEC as it did in the past.

This must pose a considerable *threat to the control of the* market by the Potato Marketing Board, which has spent a great deal of money in the past seeking, somewhat unsuccessfully, to stabilise prices.

The Board's efforts have been mainly concentrated on trying to ensure that average market *prices remain above the* minimum guaranteed price for growers, which this year the Government has frozen at £43.94 a tonne. Since the Board's control is exercised through support buying programmes, and restrictions on acreage planted, it can do little to help *stabilise the market in times of* scarcity such as 1975 and 1976 when prices soared to unprecedented heights.

At the same time, the present potato marketing scheme will continue only for as long as the EEC Commission is unable to finalise a common potato regime.

*All these changes mean un*certainty, and this triggered off support for the idea of a futures market to provide protection against price fluctuations.

It is often forgotten that the humble potato is not only one of the basic foodstuffs bought by housewives, but is also widely used by industry manufacturing potato products ranging from crips to chips.

Processors are particularly keen to fix their prices ahead if they can; so too are growers. That is the prime function of a futures market, which at the same time allows more flexi*bility than, for example, a fixed* price supply contract.

In theory, the market should be of use to all sectors of the trade, but in *practice* it is more likely to be of interest to merchants, both buying and selling potatoes at considerable price risk on occasions, and to the processors, whose products have to compete in highly competitive conditions and therefore need to be price sensitive.

Growers, who probably take the biggest gamble of all, when *deciding* what acreage of potatoes to plant, should be able to protect themselves against poor prices at least.

However, since farmers are eternal optimists, they are unlikely to welcome the idea of *spending money simply to pro*tect themselves against possible disaster, especially since they are traditionally suspicious of the whole futures market concept. It has taken many years for the home-grown grain futures markets for barley and wheat to get off the ground *properly and no doubt farmers* will be equally lukewarm about potato futures.

Indeed the National Farmers' Union describes its attitude as neutral but watchful. Its representatives on the market committee are likely to be mainly concerned about protecting the growers' interests.

A worry for farmers about futures generally is that the markets are dominated by speculators and dealers working against the interests of producers. On the other hand it is recognised that futures markets cannot operate success*fully without* a *fair proportion* of speculative activity to provide the extra financial liquidity needed if the trade is to be able to hedge properly. However, nobody can deny that speculators on occasions can, and do, have a significant influence on futures prices, if only for a *short* period.

Nevertheless the proposed potato futures market will basically stand or fall on the *amount of* support it *receives* from the trade. Great care and attention has gone into the formation of the contract, which will be confined to main crop potatoes to a quality in accordance with the ware standard prescription used by the Potato Marketing Board.

However, the decision to specify delivery in paper bags and on pallets has come under some criticism. It is claimed to *be not practical since potatoes* stored in paper bags can deteriorate in quality considerably.

The siting of the market in the Baltic Exchange also raised some eyebrows, since the Baltic is mainly associated with shipping. In fact it will be close alongside the grain futures markets, *emphasizing their* agricultural links. Several companies will operate in both, and one of the joint organisers of *the market* is the Grain and Feed Trade Association.

An unusual feature, emphasizing the serious intention of the organisers, is that companies who want to become full members of the market have to guarantee that they will keep a full-time dealer on the market for at least 18 months. This is to prevent companies coming in just in case the market takes off and then quickly losing *interest.*

The concept of a futures market for potatoes is difficult for some people to accept *seriously,* even *though there* are existing contracts in New York and Amsterdam. But, the success or otherwise of the London potato contract could *have interesting repercussions* if it encourages the introduction of the kind of agricultural markets, already highly developed *by* the Chicago exchanges in the U.S. Even with —or perhaps because of—the Common Agricultural Policy, there could be considerable scope in providing futures markets for agricultural products, whose prices tend to fluctuate considerably. The recent wild movements in the early potato market has given a timely reminder that the price of this particular foodstuff is highly *volatile* and *could* provide the basis for a successful futures market.

UK imposes control on bees

STRICT CONTROLS on imports of bees into Britain will be introduced next month in an *effort to keep out a parasite* which is threatening world honey production.

Apart from hitting British honey production, devastation of the bee stock could have a serious effect on fruit crops.

From July 1 all bee imports will have to be licensed. Queens (with attendant workers) will be admitted only from countries with a high bee health status. Each consignment will *have to be accompanied by a* health certificate and importers will be required to keep records of the ultimate destination of their imports.

Cotton use forecast up

WASHINGTON — World cotton stocks this August are forecast to be little changed from the 22.1m bales (478 lb) a year earlier, the International Cotton Advisory Committee (ICAC) said.

The committee said the stocks would be equivalent to only about four months of consumption if current rates are maintained.

World cotton consumption this season is now forecast at 65.5m bales, up 500,000 from last month's forecast and 2m bales above the previous, 1978/79 record, the ICAC said.

World production is projected at a record 65.6m bales, nearly *the same* as last *month's* forecast and around 5.5m bales above the 1978/79 harvest, the committee said.

The committee said larger plantings are indicated for the 1980/81 season as a result of favourable prices. But yields may not match the record levels reached in many large cotton producing countries this season. This would limit the potential for greatly increased output, the ICAC said.

The U.S., as well as a number of other countries, are exporting more cotton this season in light of larger availabilities and improved demand from importing countries, it said.

Reuter

Wool clip increase seen

AFTER a mild winter with lower sheep mortality and higher lambing rates, the British wool clip is expected to increase by 6 per cent this season to 51m kilos.

Chairman of the British Wool Marketing Board, Mr. W. Elliott, told the International Wool Textile Organising meeting in Monaco that shearing had already begun, three weeks ahead of last year.

In spite of the improved growing conditions this year, however, the farming community and the textile industry in the UK needed a return of confidence.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Fell sharply on the London Metal Exchange following the sell-off in overnight American markets and news of producer prices cuts by a number *of U.S. companies. Forward metal* opened at £866 and fell away to £861 on the pre-market before rallying briefly to £869 and dipping to the day's low of £858 on the morning Kerb. In the afternoon the market traded between £861 and £865 prior to closing the late Kerb at £862. Turnover: 18,750 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	842.5-3	—17.7	840-2	—18
3 months	863-.5	—20.2	861-2	—18
Settlem't	843	—18	—	......
Cathodes				
Cash		......	818-9	+18
3 months	818-9	—25	841.2	—17
Settlem't	841.2	—21.5	—	......
U.S. Prod	819	—25	*90	......

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £867 66, 67, 68, 67, 66, 65, 64, 63, 64, 63.5, 63. Cathodes, three months £842. Kerb: Wirebars, three months £860, 58, 59, 58, 58.5, 59. Afternoon: Wirebars, three months *£862, 64, 63, 63.5, 63, 62.5, 61, 61.5,* 62, 61.5. Cathodes, three months £841, 42, 41. Karb: Wirebars, three months £860, 62, 63, 64, 65, 64, 63, 62, 61.

TIN—Easier reflecting the fall at *Penang and the weakness of other* metals. After opening at £7,310 forward metal fell back to £7,275 as hedge selling more than met modest covering against European physical interest. In the afternoon the market edged up to £7,300 but came under light general selling to close the late Kerb at £7,265. Turnover: 800 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7270-90	—85	7240-80	—80
3 months	7320-40	—80	7310-40	—60
Settlem't	7290	—88	—	......
Standard				
Cash	7250-5	—112	7240-60	—88
3 months	7280-90	—82.5	7270-80	—70
Settlem't	7255	—115	—	......
Straits E.	‡$2159	......	—	......
NewYork	—	......	—	......

Morning: Standard, cash £7,255, three months £7,295, 7,300, 7,280. Kerb: Standard, three months £7,280, 75, 70. Afternoon: Standard, three months £7,275, 7,300, 7 285, 70. Kerb: *Standard,* three months £7,260.

LEAD—Marginally easier in quiet *trading with forward metal trading in* a £5 range before closing the afternoon Karb at £309.5. Turnover: 7,000 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	306-7	—2.5	302-4	—3.5
3 months	313-.5	—3.25	310.5-1	—5.75
S'ment	307	—3	—	......
U.S. Spot	—	......	*36-40	......

Morning: Cash £306, three months £314, 13, 13.5, 14, 13. Kerb: Three months £312, 13. Afternoon: Three months £312, 11, 10, 11, 12, 11. Kerb: Three months £311, 10, 08, 09.

ZINC—Barely changed on balance. After opening around £295 three months metal dipped to £288 on the pre-market but recovered thereafter to close the late Karb at £295.5 following influential support at the lower levels. Turnover: 4 600 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	281-2	—2.5	282-3	+.5
3 months	292-3	—2.75	293-.5	+1
S'ment	282	—2.5	—	......
Primw'ts	—	......	*37.5	......

Morning: Three months £296, 95, 93, 93.5, 93. Kerb: Three months £292, 91, 92. *Afternoon: Three months £293.* Kerb: Three months £294, 95.

ALUMINIUM—Lower in subdued trading. *Forward metal gradually* gave ground throughout the day to close the the late Kerb at £719.5. Persistent selling of cash material widened the contango to around £8. Turnover: 4,475 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	711-3	—10.5	710.2	—7
3 months	718-9	—7.5	719-20	—4

Morning: Cash £716, 12, three months £722, 19. Afternoon: Cash £712, three months £719, 18, 19. Kerb: Three months £720, 19.

NICKEL—Down following the weakness of other metals and general liquidation. Forward metal opened around the £2,780 level and edged up to £2,810 before coming under pressure to end the *day* at £2,730. *Turnover:* 366 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2675-85	—27.5	2640-50	—90
3 months	2775-80	—10.5	2735-40	—72.5

Morning: Cash £2,700, 2 690, 80, three months *£2,810, 2,800, 2,795, 90,* 80. Afternoon: Three months £2,770, 65, 55, 50, 55, 45. Kerb: Three months £2,730.

* Cents per pound. ‡ $M per picul. † *On previous unofficial close.*

SILVER

Silver was fixed 8.7p an ounce lower for spot delivery in the London bullion market yesterday at £6.6130. U.S. *equivalents of the fixing levels were:* spot $15.46, down 14c; three-month $15.8, down 14c; six-month $16.2, down 17c; and 12-month $16.984, down 23.6c. The metal opened at £6.4-£6.65 *($15-15½) and closed at £6.75-£6.95* ($15.8-16.2).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	661.30p	—8.7	686.5p	+11
3 months	688.55p	—8.05	713.5p	+11.5
6 months	713.60p	—8.6	—	......
12months	757.60p	—9.3	—	......

LME—Turnover 208 (172) lots of 10,000 ounces. Morning: Three months 690, 92, 90, 88, 85, 86. Kerb: Three months 685, 83. Afternoon: Three months 711, 12, 15, 12, 13, 15, 17, 13. Kerb: Three months 715, 16.

COCOA

Although failing to make the dues at the opening, futures rallied during the afternoon session and closed at the highs of the day. Physicals were *largely ignored by consumers and pro*ducers, who both await a favourable market movement before recommencing to trade, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
July	1118-19	+15.0	1119-1095
Sep	1137-39	+8.5	1141-18
Dec	1182-84	+8.5	1185-63
March	*1227-28*	*+24.0*	*1229-08*
May	1253-54	+16.0	1254-30
July	*1274-81*	*+17.5*	*1260*
Sept.	1295-310	+20.0	—

Sales: 3,077 (2,819) lots of 10 *tonnes.*

COFFEE

Robustas opened with gains of £15-*£20 during a moderately active call.* There were no fresh features and prices tended to fluctuate in a £2 range for most of a quiet morning session. In the afternoon prices moved higher to *reflect* further strength in *New* York, but heavy resistance around the highs attracted selling from jobbers and with late commission house selling adding to the pressure values declined to settle with moderate gains, reports Drexel Burnham Lambert.

COFFEE	yesterday's Close	+ or —	Business Done
	£ per tonne		
July	*1660-61*	*+12.0*	*1667-60*
Sept.	1719-20	+11.5	1740-18
Nov.	1741-43	+15.0	1760-40
January	1751-54	+21.0	1768-48
March	1715-18	+19.0	1730-16
May	1705-10	+10.0	—
July	1699-10	+20.0	1720

Sales: 4,154 (3,340) lots of 5 tonnes.

ICS indicator prices for June 10 (U.S. cents per pound): Other Mild Arabicas 190.33 (189.67). Robustas ICA 1976 176.25 (176.75). ICA 1968 176.50 (177.00). Unwashed Arabicas 209.50 (same). Comp. daily ICA 1968 193.22 (193.36).

GRAINS

LONDON GRAIN FUTURES—The market opened lower and intitial hedge selling pressure eased values to trade 25p-30p down in *thin* volume, the main activity being in the nearby options. A slight improvement was seen in the afternoon session mainly in distant wheat to close unchanged to 10p lower, reports Acli.

	WHEAT		BARLEY	
M'nth	Yesterday close	+ or —	Yesterday close	+ or —
Sept.	94.70	—0.15	91.60	—0.10
Nov.	*98.45*	*—0.20*	*95.50*	*—0.10*
Jan.	102.40	—0.10	99.30	—0.15
Mar.	105.75	—0.05	102.65	—0.15
May	109.20	......	105.75	—0.15

Business done—Wheat: Sept. 94.75-*94.60, Nov. 98.45-98.30, Jan. 102.30-*102.30, March 105.65-105.60, May 109.20-109.00. Sales 135 lots of 100 tonnes. Barley: Sept. 91.60-91.45, Nov. 95.50-95.35, Jan. 99.30-99.25, March *102.65-102.55, May 105.75-105.65. Sales* 103 lots of 100 tonnes.

IMPORTED—Wheat: U.S. Dark Northern Spring No. 2 14 per cent. June 92.25, July 93.25, Aug. 94.50, tranship*ment East Coast sellers. Maize: South* African Yellow June-July 77.00 seller. Rest unquoted.

HGCA — Locational ex-farm spot prices. Other milling wheat: Eastern 102.00, E. Midlands 105.90, N. East 105.00. Feed barley: Eastern 94.80, E. Midlands 92.00, N. East 94.00.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 50 tonnes, bringing the total for the week so far to 176 tonnes. Only limited operations took place, with many users slow to anticipate their needs. Minor transactions were fixed up in United States staple and Middle Eastern styles.

RUBBER

The London physical market opened quiet, ruled easier throughout the day, closing on an uncertain note. *Lewis and Peat reported a Malaysian* go-down price of 300 (297) cents a kg (buyer, July).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
July	61.40-61.60	61.40-61.50	61.50
Aug.	62.40-62.70	62.50-62.80	62.80
Jly.-Sept	62.40-62.60	62.50-62.60	62.80-62.40
Oct-Dec	65.60-65.70	65.90-66.00	66.00-65.60
Jan-Mar	68.60-68.70	68.90-69.00	70.00-68.70
Apr-Jne	71.20-71.40	71.50-71.70	—
Jly.-Sept	73.80-74.00	74.20-74.40	74.50-75.90
Oct-Dec	76.30-76.40	76.70-76.90	77.00-76.30
Jan-Mar	78.60-78.70	79.10-79.20	79.30-78.60

Sales: 161 (370) at 15 tonnes, 3 (2) at 5 tonnes.

Physical closing prices (buyer) were: Spot 61.00p (60.00p); July 63.50p (63.25p); August 64.25p (same).

SOYABEAN MEAL

The London market opened slightly easier in quiet trading conditions, reports T. G. Roddick. Prices recovered early losses on commercial buying and with reluctant sellers finishing with gains of 50p.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	98.00-99.50	—1.25	—
August	102.20-02.4	+0.25	102.60
October	102.80-02.8	+0.55	102.70-102.50
December	105.70-05.8	+0.50	105.70
February	108.60-09.0	+0.45	—
April	109.50-12.0	+0.25	—
June	111.80-14.0	+0.50	—

Sales: 8 (32) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £285.00 (same) a tonne cif for June-*July shipment. White sugar daily price* was £310.00 (same).

The market consolidated the overnight gains and renewed short-covering found only scattered selling, further gains of around £10 had been recorded by the close, reports *C. Czarnikow.*

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Aug.	344.75-45.15	332.00-33.00	345.50-29.00
Oct.	364.00-64.25	349.00-49.25	365.00-45.00

Sales: 6,605 (7,544) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order: buyer, seller only). Aug. *335.50,* 336.00; Oct. 354.75, 355.00; Jan. 368.00, 369.50; March 377.00, 377.50; May 373.50, 373.75; Aug. 365.00, 368.00; Oct. 361.00, 365.00. Sales: 4,384 (5,041).

Tate and Lyle ex-refinery price for granulated basis white sugar was £324.7 (same) a tonne for home trade and £416.00 (£418.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for June 10: Daily price 27.99 (28.81); 15-day average 31.51 (31.83).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Aug. 370, 378, 375, 5; Oct. 370, 374, 373-371, 12; Dec. 370, 374, 373-372, 9; Jan. 373, 376, 378-374, 19; March 377, 379, 383-377, 14; May 380, 382, 385-378, 7; Aug. 382, 384, 382-381, 11; Oct. 382, 386, 382, 1; Dec. 382, 387, 382, 2. Sales 80.

SYDNEY GREASY WOOL—Close (in order; buyer, seller, business, sales). Australian cents per pound, July 462 0, 465.0-455.0, 355; Oct. 456.0, 457.0, 459.0-451.0, 256; Dec. 454.5, 458.0-454.0, 203; March 455.0, 457.5, 458.5-455.0, 94; May 458.0, 461.0, 461 0-456.0, 56; July 458.0, 461.0 461.5-457.0, 25; Oct. 458.0, 460.0, 461.0-458.5, 17; Dec. 458.0, 460.0, 460.0-460.0, 3. Sales: 1,008.

PRICE CHANGES

In tonnes unless otherwise stated.

	June 11 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1720/1740	....	$1820/30
Copper			
Cash w'bar	£841	—19	£898
3 mths	£861.5	—19	£922.5
Cash Cathode	£818.5	—18	£883
3 mths	£841.5	—17	£903
Gold troy oz	$602	—2	$525.5
Lead cash	£303	—3.5	£337
3 mths	£310.75	—3.75	£346
Nickel	£3,248.35	....	£3,335
Freemkt(cif (lb	270/300c	....	285/305c
Platin'mtr'y oz	£182.50	....	£188/193
Free mkt	£277.40	—4.5	£255.70
Quicksil'ver†	$380/390	....	$385/408
Silver troy oz	661.3p	—8.7	571.20p
3 months	688.55p	—8.05	589.70p
Tin Cash	£7,260	—80	£7,490
3 mths	£7,275	—70	£7,457.5
Tungsten22.04lb	$141.73	....	$144.50
Wolfrm22.04lb	$139/143	....	$138/143
Zinc cash	£282.5	+0.50	£304
3 months	£293.25	+1	£316
Producers	$780	....	$780/825
Oils			
Coconut (Phil)	$642.50x	....	$632.5
Groundnut	‡	....	‡
Linseed Crude	£391	....	£393
Palm Malayan	$560w	—10	$585
Seeds			
Copra Philip	$420	+5	$400
Soyabean(U.S.)	$264.95	—0.20	$264.60
Grains			
Barley Futures	£95.50	—0.10	£92.20
Maize			
French No3AM	‡	‡	‡
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	‡	....	‡
Eng. Milling†	‡	....	‡
Other commodities			
Cocoa ship.t	£1,199	+19	£1,221
Future Sept.	£1,137.5	+8.5	£1,185.5
CoffeeF't'Sept.	£1719.5	+11.5	£1,720
Cotton A.Index	83.90c	—0.10	89.15c
Rubber (kilo)	61p	+1	59.50p
Sugar (Raw)	£285	—15	£335
Wooltp's 64s kl	294p kilo	....	292pkilo

u July-Aug. s June-July. W Aug. x July. z Indicator. § Buyer. ‡ Per *276-lb flask.*

HIDES—Leeds: slightly firmer. Second clears. Ox 31-35.5 kilos, 27.5p a kilo (26p a kilo); 26-30.5 kilos 30.2p (23.7p): 22-25.5 kilos 35.1p (30.3p). Light cows 33p a kilo withdrawn (30.5p).

★

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (un*processed) per stone: Shell cod* £4.50-£5.50, codlings £2.50-£3.50. Large haddock £5.40, medium £3.50-£4.20, small £2.50-£3.00. Large plaice £4.60-£5.60, medium £4.00-£5.00, best small £3.00-£3.80. Skinned dogfish (large) £8.00, (medium) £4 00. Lemon soles (large) £7.50, (medium) £6.50. Saithe £2.10-£2.30.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. *Beef:* Scottish killed sides 67.0 to 72.0; Eire hindquarters 80.0 to 87.0, forequarters 41.0 to 46.0. Veal: Dutch hinds and ends 100.0 to 106.0. Lamb: English small, new *season 68.0 to 74.0.* Imported (frozen: NZ PL 59.0 to 61.0, PM 58.0 to 59.0. Pork: English, under 100 lb 41.0 to 50.0, 100-120 lb 40.0 to 47.5, 120-160 lb 38.0 to 45.5.

MEAT COMMISSION—*Average* fatstock prices at representative markets on June 11. GB—Cattle 81.49p per kg liveweight (—2.00). UK—Sheep 147.40p per kg edcw (—13.91). GB—Pigs *65.15p per kg liveweight (—3.18).*

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Oranges—Jaffa: Valencia Lates 2.80-4.00; Egyptian: Valencia Lates 75/125s 2.00; Moroccan: 54/113s 3.40-3.50; Cyprus: Valencia Lates 3.60-4.50; Arizona: Valencia Lates 72/113s 3.90-5.30; Outspan: Navels 3.80-4.45. Lemons—Italian: 100/150s 3.00-4.00; Spania: Trays 25/45s 1.80-2.20; boxes 4.80-5.80. Grapefruit—Jaffa: Boxes 45/56s 5.00-5.50; Outspan: 3.95-4.75. Apples—New Zealand: Sturmer Pippins 8.00, Red Delicious 138s 9.00-9.40, Richared 7.70-8.20, *Granny Smith 8.00-8.20; Tas*manian: Jonathans 8.00-8.30. Golden Delicious 7.30-7.50, Crofton 8.50, Sturmer Pippins 8.00-8.20. S. African: Golden Delicious 9.60-10.00, Starking *7.50-8.50, Granny Smith 7.80-8.20;* Argentine: Red Delicious 8 80; Dutch: 22 lb Golden Delicious 2.30; French. 40 lb boxes, Golden Delicious 138/198s 5.80-6.80, 20 lb 3.00-3.20; Italian: *Jonathans/Romes 40 lb 5 40-5.60,* Winesape 5.20. Pears—S. African: Approx. 35 lb Packham's 8.20-8.00, Winter Nelis 6.30-7.50; Italian: Passacrassane 12 lb 1.70; Victorian: Josephines 9.50-10 00, Packham's 9.50-10.50, Winter Nelis 8.00-8.50. Peaches—Spanish: Yellow flesh 2.80-5.00. Apricots—Spanish: 2.50-3.00. Grapes—Victorian: Ohanes 23 lb 16 00; Chilean: Emperor 7.00. Strawberries—Per punnet, Italian: 0.20-0.25; Spanish: 0.20; American: 0.90. Cherries—Per lb, French: 0.50-0.70; American: 0.90; Lebanese: 0.70. Melons—Israeli: Ogen 4.50; Spanish: Galia 5/6s 3.00, Ogens 3.50-4.00, Manana *6 kilos 2 40-2.50; Israeli: Yellow 5.25-*5.50. Water-melons—Israeli: 5.00; Spanish: 3.20-3.30; Avocados—S. African: 3.30-3.50. Bananas—Jamaican: 28 lb, per lb 0.19. Tomatoes—Dutch: *3.20-3.30; Guernsey: 3.20-3.40; Jersey:* 3.40.

English produce: Potatoes—Per bag 2.00-2.30. Mushrooms—Per lb 0.60-0.70. Apples—Per lb Bramley 0.11-0.19. Strawberries—English per ½-lb 0.15-0.20. Cabbages—Per bag 1.20-1.40. Cauliflowers—Per 12s English 3.00-4.50. Peas—Per lb 0.20. Broad beans—Per lb 0.10. Cucumbers—Trays 16/20s 2.10-2.40. Tomatoes—Per 12 lb 3 00-3.20. Lettuce—Per lb round 0.80-1.20, Cos 1.20, Webbs 1.20. Rhubarb —Per lb outdoor 0.05. Onions—Per bag 6 50-6.80. Celery—English 12/30s 3.50-4 00. Asparagus—Per lb 0.90-1 00. Gooseberries—Per lb 0.25.

AMERICAN MARKETS

NEW YORK, June 11.

GOLD, SILVER and copper continued to decline on commission house liquidation. Sugar rallied sharply on buying by Iran and Tunisia. Coffee firmed on producer support, while cocoa remained under pressure on *producer selling.* The livestock complex was sharply higher on a reduced slaughter and firmer cash markets. The grain and soyabean complex was higher on unfavourable growing conditions in Canada and central America, reported Heinold.

Copper—June 83.75 (84.00), July *84.00-84.50 (84.50),* Aug. 84.90, Sept. 85.30-85.80, Dec. 87.50-87.80, Jan. 88 35, March 89.70, May 91.10, July *92.50, Sept. 93.90, Dec. 96.00,* Jan. 96.70, March 98.10. Sales: 6,750.

Potatoes (round whites)—Nov. 73.1 (74.2), March 85.5-85.6 (87.1), April 99.6-99.7. Sales: 407.

Sugar—No. 11: July 32.00-32.30 (29.97), Sept. 33.48 (31.98), Oct. 34.48, Jan. 35.00, March 36 38, May 35 98, July 35.30, Sept. 34.57, Oct. 34.25-34.45. Sales: 15,085.

Tin—775.00-784.00 asked (789.00-789.00).

CHICAGO, June 11.

Lard—Chicago loose 17.00 (same). New York prime steam unavailable.

Chicago Imm Gold—June 586.0 (597.0). July *592.0* (599.0). Sept. 595.0-598.0. Oct. 603.0, Dec. 610.0-609.0, Jan. 615.0, *March 628.0, April* 634.0.

Live Cattle—June 67.10-67.20 (66.60). Aug. 67.00-67.10 (65.90), Oct. 65.45-65.55, Dec. 66.90-66.80, Jan. 67.45, Feb. 67.75-67.85, *April* 68.25-68.40.

Live Hogs—June 35.60-35.50 (34.57), July 37.65-37.70 (36.75), Aug. 37.60-37.40, Oct. 38.00-38.30, Dec. 41.00-40.80, Feb 43.32, April 41.95, June 44.25, July 45.95.

‡‡Maize—July 276¾-276½ (275), Sept. 283¾-283¼ (283¼), Dec. 291½-291¾, *March 303½,* May 310¾, July 316½.

Pork Bellies—July 30.45 (28.45), Aug. 30 80 (28.80), Feb. 47.20, March 47.25, May 47.85, July 48.25, Aug. 47.75.

Silver—June 1530.0 (1547 5), July *1600.0* (1590.0), Aug 1627.5, Oct 1660.0, Dec. *1686.5,* Feb. *1713.0,* April 1739.5, June 1766.0, Aug. 1792.5, Oct. 1819.0, Dec. 1845.5, Feb. 1869 0, April 1890.0, June 1911.0, Aug. 1932 0, Oct. 1955 0.

†Soyabeans—July 625½-625 (621¾), Aug. 632½-633 (629¼), Sept. 640¾-641, Nov. 655½-655, Jan. 669½, March 684½, May 696½, July 705½.

‖Soyabean Meal—July 171.4-171 7 *(170.4), Aug. 174.4-174 5 (173.3),* Sept. 177.1-177.3, Oct. 180.0, Dec. 183 9-183 8, Jan. 186.1, March 190.0, May 194.0-194.5, July 198.3, Aug. ——.

Soyabean Oil — July 21.63-21.65 (21.48), Aug. 21.88-21.90 (21.74), Sept 22.12-22 13, Oct. 22.35, Dec. *22 68-*22 69, Jan. 22.80, March 23.15, May 23 40, July 23.65, Aug. 23.70-23.80.

†Wheat—July 399½-401 (396¾), Sept. 413-413½ (409½), Dec. 431-431½, March 446¾-447, May 452½, July 456.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. *per metric ton* §§ $ per 1,000 sq. feet. ‡ Cents per *dozen.*

EUROPEAN MARKETS

ROTTERDAM, June 10.

Wheat—U.S. No. 2 Red Winter July $175, Aug. $177, Sept. $180. U.S. No. 2 Northern Spring, 14 per cent, June $193.50, July $193, Aug. $195, Sept. *$196, Oct. $199, Nov. $202, Dec. $209.* Rest unquoted.

Maize—Spot $144.50, afloat $141, June $138.75, July $138.75, Aug. $139.50, Sept. $140, Oct.-Dec. $144.25, Jan.-March $153.

Barley—June $143.50, *July* $145.75, Aug. $148.

Soyabeans—U.S. Two Yellow Gulfports, spot $260, June $257.50, July $258.75, Aug. $260.75, Sept. $264.75, Oct. $266.50, Nov. $266.50, Dec. $272.25, Jan. $276.25, Feb. $281.75, March $284.50. Brazil Yellow Faq. afloat $256, June $258.40. U.S./Brazil June $257.50. Paraguay/Brazil mid-June-July $257.50, Aug. $260.25. Paraguay afloat $256. Argentine June-July $252, Aug. $255, Sept. $260.

Soyameal—44 per cent protein U.S. *afloat $218, June $215, July $217.50,* Aug. $219, Sept. $223, Nov.-March $236.50. Brazil Pellets afloat $220.50, June $221, July $222, Aug. $225, Sept. $229, Oct. $234, Nov.-March $246.50.

PARIS, June 10.

Cocoa (FFr per 100 kilos)—July 1125, Sept. 1100-1105, Dec. 1122-1125, March 1145, May 1155, July 1170. Sales at call 3.

Sugar (FFr per 100 kilos)—July 3040-3070, Aug. 3125-3127, Oct. 3293-3294, Nov. 3260, Dec. 3415-3440, March 3540-3580, May 3550, July 3560. Sales at call 39.

INDICES

FINANCIAL TIMES

Jun 10	June 9	M'nth ago	Year ago
266.71	267.07	273.36	298.59

(Base: July 1, 1952=100)

MOODY'S

Jun 10	June 9	M'nth ago	Year ago
1120.5	1136.1	1133.0	1090.2

(December 31, 1931=100)

DOW JONES

Dow Jones	June 10	June 9	Month ago	Year ago
Spot	425.47	416.04	438.94	412.70
F'tur's	438.18	433.77	440.72	416.92

(Average 1924-25-26=100)

REUTERS

June 11	June 10	M'nth ago	Year ago
1663.7	1664.0	1723.7	1622.8

(Base: September 18, 1931=100)

Equities resist overnight disappointment with banking figures but Gilt-edged securities ease a little more

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
June 2	June 12	June 13	June 23
June 16	June 26	June 27	July 7
June 30	July 10	July 11	July 21

* "New time" dealings may take place from 9 am two business days earlier.

Disappointment on Tuesday with the mid-May banking statistics proved short-lived in equity markets, but continued to overshadow British Funds which yesterday drifted around ½ lower in extremely subdued trading conditions.

The fairly general view that the poor banking figures will delay the prospects of a reduction in domestic interest rates by about a month prompted a cautious start in the industrial leaders. But the market turned firmer as fresh selective investment support found the market short of stock. As a result, the FT 30-share index, a shade lower at the 11 am calculation, moved ahead to close 6.6 up on the day at 446.9 for an uninterrupted rise of 34.2, or 8½ per cent, over the last seven trading sessions. Preliminary results slightly above market expectations from Metal Box and the encouraging tenor of the chairman's statement on the outlook helped underlying sentiment in the industrial sectors.

Elsewhere, the disappointing debut of the Dundonian subsidiary, South West Consolidated Minerals, provided a major talking point. Oversubscribed 5½ times, the 10p Ordinary shares opened at 49p compared with the offer for sale price of 50p and, in the course of a big turnover, steadily fell away to 44p before closing at 48p for a discount of 2 on the offer price; dealings take place under rule 163(3). Dundonian lost 7 to 69p.

Quiet trading conditions were also enlivened by yet another market raid by brokers Rowe and Pitman with the acquisition of 5½m Ordinary shares in Marshall Cavendish at 25p on behalf of Times Publishing of Singapore against Marshall's overnight price of 17p.

Home Banks good

The gloomy mid-May banking statistics which squashed any hopes of an immediate reduction in Minimum Lending Rate failed to undermine sentiment in British Funds yesterday. Initially marked up to ½ lower at the longer end of the market, no selling ensued and, after a quiet business, closing losses to that amount were recorded at the close. The shorts also gave a resilient performance with the closing tone quietly mixed.

Demand for Traded options was much reduced, but the dealings total again reached into four figures. Trades completed amounted to 1,090 against the previous day's 1,863. Among the more active issues were BP, Grand Metropolitan and Courtaulds with 213,212 and 198 deals respectively.

Firm conditions prevailed in the major clearing banks. Renewed buying on the view that a prolonged period of record interest rates will keep profits on a rising tack prompted fresh improvements ranging to 9. Midland and NatWest both closed that much higher at the common level of 352p. Barclays rose 7 to 442p as did Lloyds, 310p.

C. E. Heath were notable in Insurances, falling 5 to 190p, after 187p, on the annual report. London United Investments relinquished 4 to 143p.

Leading Breweries again attracted a good level of institutional busines. Allied added 3 to 84p on further thoughts on the pleasing preliminary results, while Whitbread, 152p, and Bass, 220p, put on 2 apiece. Among Wines and Spirits, Distillers rose 3 more to 198p, as did Amalgamated Distilled Products, at 38p. Highland fell to 136p in the early business following suggestions that the Hiram Walker offer may be referred to the Secretary of Trade; support was seen at the lower level, however, and the close was unchanged at 142p.

The undertone in Buildings remained firm, but business was sparse. Among the leaders, Blue Circle and Ready Mixed Concrete hardened 3 apiece to 338p and 168p respectively. In Timbers, International shed 2 for a two-day fall of 4 to 110p, after 109p, on the cautious statement and disappointing preliminary results, but Montague L. Meyer attracted fresh speculative support and added 3 to 98p. Magnet and Southerns improved a couple of pence to 168p, but Travis and Arnold eased that much to 240p and James Latham lost 8 to a 1980 low of 112p, the last-named in a limited market. Elsewhere, buyers showed interest in Armitage Shanks which firmed 1½ to 92½p and Brown and Jackson which revived with a gain of 6 at 133p. Nottingham Brick rose 10 to 185p in response to the increased interim profits, but Rowlinson remained at 32p folowing the preliminary results.

Sumrie flat

A couple of pence easier at the outset, ICI picked up on the appearance of a few cheap buyers and closed a net 4 higher at 368p. Arrow, still reflecting the company's failure to meet the profit forecast, shed 3 more to 47p, after 45p.

Interest in Stores was mainly confined to special situations in secondary issues. Sumrie Clothes fell 5 to 19p on reflection of the slump in full-year earnings and reduced dividend, while profit-taking clipped 4 from Ratners, 55p, and 15 from Moss Bros., 235p. Lee Cooper lacked support and declined 12 at 183p, while W. H. Smith eased 3 to 135p, the latter following the chairman's indications of reduced interim profits. In contrast to recent depressing announcements from mail-order concerns, the chairman's annual statement helped Empire which ended 2 better at 132p. Freemans rose 4 to 112p in sympathy, but mail-order suppliers Forminster lost 4 more to 112p.

Occasional buying interest was shown in the Electrical leaders after trending a shade easier at the opening. Thorn EMI and GEC edged up 4 apiece to 274p and 366p respectively, while Plessey improved 3 to 153p. Still reflecting bid hopes, Ferranti advanced 10 more to 550p. MK Electric continued to benefit from news that short-time working is to cease at a major subsidiary and hardened 2 more to 176p.

Metal Box pleases

Buyers remained interested in the Engineering leaders, and particularly Hawker which improved steadily to close 6 better at the day's best of 186p. Tubes touched 266p before finishing a net 2 firmer on balance at 264p and GKN edged forward a penny to 235p. Reflecting the better-than-expected preliminary profits, 600 Group put on 3½ to 59½p, while Northern Engineering hardened a penny to 46½p, after 47p, following the chairman's encouraging AGM statement. Midland Industries came in for support at 88p, up 4, while Porter Chadburn put on a similar amount to 66p.

Unsettled by reports of falling confectionery sales and redundancies within the company, Cadbury Schweppes shed 2 for a two-day fall of 3½ to 55½p. Elsewhere in Foods, J. Sainsbury remained in favour and added 5 more to a 1980 peak of 383p, while Nurdin and Peacock put on 6 to 136p. Linfood held at 138p; Guinness Peat has increased its stake in the company to 20.02 per cent. Robertson encountered sporadic selling and shed 4 to 114p.

In Hotels and Caterers, Grand Metropolitan continued to respond to the excellent interim results by adding 2 more to 144p, while buying ahead of today's preliminary results lifted Brent Walker a couple of pence to 72p.

The miscellaneous industrial leaders recovered from an uncertain start to record fresh improvements ranging to 12. Metal Box closed that much higher at 284p, after 292p, following the better-than-expected annual profits and the accompanying optimistic statement on prospects. Pilkington added 6 to 208p on buying ahead of tomorrow's announcement of the preliminary results. Still buoyed by a recent report that the group has been allowed to increase selected rug prices, Glaxo advanced 6 afresh to 208p, while Beecham added 5 in sympathy to 135p, after 136p. Elsewhere, Continuous Stationery stood out with a jump of 10 to 52p in response to the bumper profits and proposed 100 per cent scrip issue. Reflecting disappointment with the unsuccessful market debut of its South West Consolidated Minerals subsidiary, Dundonian were sold down to 68p before closing a net 7 off at 69p. Hanson Trust were marked down to 152p in initial response to the first-half figures but a later re-appraisal of the figures prompted an improvement which left a close of 157p, down 3. Comment on the lower profits and the Board's warning about current year prospects brought about a further relapse of 8 in J. W. Spear, making a two-day fall of 15 at 125p.

Interest in Properties centred mainly on Land Securities which firmed 5 to 312p ex rights; the new nil paid shares opened at 44p premium and closed at 50p premium following a reasonable turnover. Business in other issues improved as the session wore on, but notable price movements were few. Warnford Investment picked up 10 to 410p, while Churchbury Estates hardened 5 to 515p in response to the increased annual income and optimistic statement.

Oils irregular

Contradictory reports emanating from the OPEC meeting in Algiers had an unsettling effect on Oils. British Petroleum, however, picked up during the after-hours' business to close a couple of pence better on balance at 372p, after 368p, while Shell reverted to the overnight level of 404p, after 402p. Burmah finished 3 off at 219p and Tricentrol 6 easier at 375p. Elsewhere, ICI Gas firmed 10 more to 874p following favourable Press comment; last year, the annual results were announced on July 3. Silkolene put on 8 for a two-day gain of 15 to 173p, but Berkley Exploration shed 13 to 202p and Aran Energy lost 16 to 412p. Carless Capel, at 135p, recovered all of the previous day's fall of 5 that followed the £9.5m rights issue announcement.

Ocean Wilsons rose 5 to 79p as second thoughts over the raised dividend and 100 per cent scrip issue outweighed the reduced annual profits announced on Tuesday. Elsewhere in Overseas Traders, Lonrho picked up 3 to 91p, while Inchcape added 10 more to 383p.

Among Plantations, Jitra added 3 to 180p following news that Batu Kawan has acquired a 7.2 per cent stake in the company, and Lendu rose 7 to 75p in sympathy; Batu Kawan closed unchanged at 70p.

Australian gold exploration and producing issues held the spotlight in mining markets. News that the Australian subsidiary of America's Exxon Corporation has agreed to participate in a gold prospect at Bimurra in Queensland encouraged a heavy demand for the current owners of the prospect.

Samantha Exploration and Samson Exploration jumped 18 to 126p and 17 to 86p, respectively after a day of hectic trading. Buka Minerals which, along with Samantha and Samson, has a 33.33 per cent interest in Bimurra, held at 17p.

Samantha surge ahead

Other Down-Under gold stocks were equally active. Gold Mines of Kalgoorlie regained 12 to 356p, Poseidon 2 to 178p and North Kalgurli a penny to 81p.

Elsewhere in the sector, Press mention directed buyers towards Pancontinental, 15 higher at 340p.

South African Golds, on the other hand, fell for the second successive day although the market tended to recover a shade in the after-hours' trade along with the bullion price which closed only $2 easier at $602 an ounce. The Gold Mines index gave up a further 3.9 to 327.4 for a two-day fall of 12.5.

The market opened on a flat note reflecting persistent selling in overnight U.S. markets and the initial decline in the bullion price. The dividend declaration from the mines in the Gold Fields group were generally considered to be disappointing and had a further dampening effect on sentiment.

Share prices drifted during the morning, reflecting lack of interest, but began to pick up towards the official close as American bear closing was reported.

Among the heavyweights, losses of ½ were common to East Driefontein, £13¼, West Driefontein, £36¾, after £36½, and Winkelhaak, £12. Kloof, however, were an exception, the satisfactory dividend announcement prompting persistent Johannesburg and U.S. interest which lifted the shares ¾ to £13¼.

Financials were generally quiet although General Mining added 40 more to 860p following sizeable Johannesburg buying.

In Tins, renewed demand from Far Eastern sources lifted Tronoh 15 for a two-day jump of 40 to a 1980 high of 300p, while Geevor dipped 10 to 200p after the lower profit.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	80	—	90	37	104	—	372p
BP	330	52	77	66	1	82	—	"
BP	360	26	91	46	3	62	—	"
BP	390	11	4	30	—	48	—	"
Cons. Gold	500	14	20	38	—	50	—	477p
Courtaulds	60	7½	30	11½	1	13½	18	67p
Courtaulds	70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Courtaulds	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	366p
GEC	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	143p
Grand Met.	150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	367p
ICI	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Land Secs.	255	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	313p
Land Secs.	293	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	98p
Marks & Sp.	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	404p
Shell	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Totals			662		224		56	
		August		November		February		
Imperial Gp.	70	13½	26	16	—	16	—	81p
Imperial Gp.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Lonrho	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	90p
Lonrho	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Racal Elec.	200	49	5	55	—	—	—	246p
Racal Elec.	240	17½	16	30	—	42	—	"
Racal Elec.	260	8	1	18	—	—	—	"
RTZ	420	16	—	25	2	20	4	391p
Totals			119		8		19	

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Wed., June 11, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., June 10 Index No.	Mon., June 9 Index No.	Fri., June 6 Index No.	Thurs., June 5 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	236.22	+0.7	18.59	6.81	6.65	234.63	231.61	229.02	227.04	253.46
2	Building Materials (28)	235.16	+0.7	18.32	6.99	6.73	233.64	230.66	226.72	225.53	239.01
3	Contracting, Construction (27)	343.55	−0.1	27.23	7.04	4.41	343.97	340.89	343.14	342.42	383.02
4	Electricals (16)	628.24	+1.0	13.42	4.02	9.65	621.86	613.20	606.88	601.64	593.20
5	Engineering Contractors (11)	289.05	+0.9	23.63	8.96	5.29	286.41	282.57	276.36	272.25	371.38
6	Mechanical Engineering (74)	158.10	+0.7	20.35	8.34	6.02	157.00	154.47	152.51	150.26	192.56
8	Metals and Metal Forming (16)	153.26	+0.2	22.67	10.68	5.29	153.01	152.11	150.60	149.81	174.70
	CONSUMER GOODS										
11	(DURABLE) (49)	207.99	+0.2	15.76	6.11	7.78	207.66	204.33	202.85	202.10	234.71
12	Lt. Electronics, Radio, TV (14)	303.59	—	12.04	4.40	10.64	303.63	298.53	295.23	294.50	319.24
13	Household Goods (14)	94.00	+0.1	31.78	11.19	3.71	93.92	93.32	93.87	93.38	166.45
14	Motors and Distributors (21)	97.62	+0.7	23.48	10.11	4.96	96.95	95.43	95.55	94.89	120.44
	CONSUMER GOODS										
21	(NON DURABLES) (172)	220.23	+0.7	18.82	7.25	6.41	218.65	215.46	212.72	211.57	237.96
22	Breweries (14)	281.07	+1.7	15.67	6.47	7.53	276.28	273.11	269.44	267.89	273.18
23	Wines and Spirits (5)	296.24	+1.2	18.39	6.31	6.70	292.69	288.02	284.43	283.04	307.70
24	Entertainment, Catering (17)	315.35	+0.7	18.35	7.08	6.76	313.32	307.67	304.07	301.87	317.07
25	Food Manufacturers (21)	194.71	+0.1	20.63	7.65	5.71	194.58	192.78	189.59	189.09	219.52
26	Food Retailing (13)	320.12	+0.4	13.30	4.84	8.91	318.83	314.08	306.99	306.13	297.71
32	Newspapers, Publishing (13)	413.72	+1.1	23.08	7.07	5.85	409.18	408.90	408.01	408.30	439.07
33	Packaging and Paper (15)	129.33	+0.9	28.06	9.64	4.11	128.14	126.35	124.93	123.88	135.26
34	Stores (42)	212.90	+0.5	14.46	5.79	8.89	211.91	208.88	206.49	204.72	238.82
35	Textiles (24)	120.49	+0.5	26.99	12.82	4.54	119.85	117.16	116.89	117.01	170.84
36	Tobaccos (3)	212.70	+1.4	28.67	10.89	3.95	209.83	204.40	202.42	201.93	236.61
37	Toys and Games (5)	26.37	−1.2	46.43	18.40	2.55	26.70	27.02	27.02	26.88	77.09
41	OTHER GROUPS (99)	207.71	+0.8	17.84	7.39	6.67	206.10	203.45	201.12	199.31	208.42
42	Chemicals (16)	302.77	+0.9	20.70	7.95	5.54	300.20	296.52	293.25	293.40	292.66
43	Pharmaceutical Products (7)	207.65	+3.1	12.34	6.65	9.98	201.48	199.73	195.82	198.32	224.73
44	Office Equipment (6)	108.67	−0.8	20.04	7.63	5.71	109.50	107.55	105.08	101.62	122.47
45	Shipping (10)	523.46	−0.3	13.53	6.75	9.03	525.07	516.71	512.74	504.45	473.23
46	Miscellaneous (60)	248.58	+0.1	18.09	7.27	6.82	248.23	244.77	243.09	242.10	248.78
49	INDUSTRIAL GROUP (492)	227.47	+0.7	18.31	7.09	6.61	225.92	222.79	220.20	218.67	241.74
51	Oils (8)	816.12	+0.3	28.27	6.31	3.90	814.07	805.80	787.22	790.15	651.51
59	500 SHARE INDEX	273.77	+0.6	20.55	6.92	5.72	272.17	268.63	264.81	264.21	274.96
61	FINANCIAL GROUP (118)	204.57	+0.9	—	6.01	—	202.69	200.85	198.55	198.29	193.29
62	Banks (6)	224.41	+2.0	43.64	6.86	2.81	220.04	218.28	215.82	215.65	237.25
63	Discount Houses (10)	251.71	−1.3	—	7.02	—	255.06	249.82	247.41	243.85	245.27
64	Hire Purchase (5)	207.21	+0.6	15.08	4.84	8.61	206.03	202.97	200.79	195.78	170.85
65	Insurance (Life) (10)	195.55	+0.8	—	6.51	—	194.08	191.56	189.68	187.67	160.48
66	Insurance (Composite) (9)	130.42	+1.0	—	8.25	—	129.11	128.88	126.87	126.15	126.85
67	Insurance Brokers (9)	301.48	−1.1	15.40	7.59	8.92	304.81	301.46	299.11	301.28	278.17
68	Merchant Banks (13)	108.28	+0.6	—	5.83	—	107.61	107.34	106.96	107.18	99.99
69	Property (45)	385.30	+0.7	3.53	2.92	40.16	382.55	377.62	373.17	375.28	340.19
70	Miscellaneous (11)	129.25	−0.1	17.14	6.75	7.42	129.35	127.78	126.63	126.80	123.29
71	Investment Trusts (109)	225.57	—	—	6.10	—	225.60	221.45	219.95	218.58	219.36
81	Mining Finance (4)	193.56	−0.2	13.74	5.10	8.82	193.94	194.74	191.82	189.47	131.64
91	Overseas Traders (19)	379.04	+0.9	13.71	7.15	9.00	375.58	369.29	369.00	364.45	365.33
99	ALL-SHARE INDEX (750)	257.23	+0.6	—	6.66	—	255.70	252.57	249.28	248.57	252.60

FIXED INTEREST PRICE INDICES

	British Government	Wed., June 11	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	103.82	−0.02	0.19	4.99
2	5-15 years	108.69	−0.20	—	5.63
3	Over 15 years	113.72	−0.20	—	4.98
4	Irredeemables	128.62	+0.05	—	6.30
5	All stocks	108.48	−0.13	0.07	5.09

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Wed., June 11	Tues., June 10	Year ago (approx.)
1	Low	5 years	12.11	12.09	10.62
2	Coupons	15 years	12.08	12.05	11.06
3		25 years	12.08	12.05	11.50
4	Medium	5 years	13.85	13.81	12.29
5	Coupons	15 years	13.79	13.74	12.48
6		25 years	13.65	13.60	12.48
7	High	5 years	14.02	13.99	12.59
8	Coupons	15 years	14.09	14.05	12.80
9		25 years	13.98	13.96	12.78
10	Irredeemables		11.41	11.41	11.36

		Wed., June 11 Index No.	Yield %	Tues. June 10	Mon. June 9	Friday June 6	Thur. June 5	Wed. June 4	Tues. June 3	Mon. June 2	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	51.60	14.34	51.54	51.47	51.46	51.44	51.43	51.42	51.40	56.65
16	Investment Trust Prefs. (15)	47.68	14.11	47.88	47.88	47.79	47.79	47.79	47.79	47.68	60.15
17	Coml. and Indl. Prefs. (20)	61.91	14.48	61.91	61.88	61.86	61.84	61.84	61.80	61.80	70.29

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Land Secs. 'New'	Nil/pd.	10	50pm	—	50pm	44pm
Barclays Bank	£1	8	442	+7	452	392
ICI	£1	8	368	+4	402	348
Imp. Cont. Gas	£1	8	874	+10	874	593
LASMO	25p	8	665	−5	685	337
RTZ	25p	8	393	—	485	327
Burmah Oil	£1	7	219	−3	249	162
GKN	£1	7	235	+1	279	230
Unilever	25p	7	450	+4	480	388
Beecham	25p	6	135	+5	136	108
BP	25p	6	372	+2	412	320
GEC	25p	6	366	+4	388	326
House of Fraser	25p	6	136	+1	150	104
NatWest Bank	£1	6	352	+9	373	305
Premier Cons.	5p	6	90	−1	98½	39½

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Jun. 9	Jun. 20	Sept. 11	Sept. 22
Jun. 23	Jul. 4	Sept. 25	Oct. 6
Jul. 7	Jul. 18	Oct. 9	Oct. 20

For rate indications see end of

Calls were done in Lee Cooper, Howard Machinery, Coral Leisure, Renwick, South West Consolidated Minerals, Premier Oil, North Kalgurli, Highland Distillieries, Amalgamated Power and Cons. Gold Fields. Puts were done in Attock Oil and North Kalgurli, while doubles were transacted in Debenhams, Weir Group, Samantha and FNFC.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

FINANCIAL TIMES STOCK INDICES

[illegible]

HIGHS AND LOWS

[illegible]

S.E. ACTIVITY

[illegible]

NEW HIGHS AND LOWS FOR 1980

[illegible]

RISES AND FALLS YESTERDAY

[illegible]

LEADERS AND LAGGARDS

Percentage changes since December 31, 1979 based on Tuesday, June 10.

Hire Purchase	+24.82	Capital Goods Group	[illegible]
Insurance (Life)	+24.11	Consumer Goods (Non-Durable) Group	[illegible]
Shipping	+23.81	Consumer Goods (Durable) Group	[illegible]
Gold Mines F.T.	+23.34	Industrial Group	[illegible]
Property	+20.78	Food Retailing	[illegible]
Merchant Banks	+19.90	Chemicals	[illegible]
Mining Finance	+19.75	Breweries	[illegible]
Electronics, Radio and TV	+18.54	Newspapers and Publishing	[illegible]
Building Materials	+17.89	Insurance (Composite)	[illegible]
Investment Trusts	+17.20	Contracting and Construction	[illegible]
Oils	+16.90	Metal and Metal Forming	[illegible]
Discount Houses	+16.31	Office Equipment	[illegible]
Entertainment and Catering	+14.58	Tobaccos	[illegible]
Insurance Brokers	+13.93	Mechanical Engineering	[illegible]
Electricals	+13.13	Pharmaceutical Products	[illegible]
Overseas Traders	+12.99	Food Manufacturing	[illegible]
All-Share Index	+11.28	Banks	[illegible]
Packaging and Paper	+11.18	Wines and Spirits	[illegible]
Financial Group	+11.14	Engineering Contractors	[illegible]
Stores	+10.85	Textiles	[illegible]
500 Share Index	+10.50	Motors and Distributors	[illegible]
Other Groups	+10.11	Toys and Games	[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Amer. Gth. Tst.	48.7	52.4	+1.1	1.92
Abbey Capital	37.1	40.1	+0.8	4.28
Abbey General	48.2	51.4	+1.0	6.04
Abbey Gilt & F.I. Tst.	106.1	111.7	-0.1	9.41
Abbey Income	41.6	45.0xd	+0.5	8.36
Abbey Intl. Bd. Tst.	95.3	100.8xd	+0.8	5.46
Abbey Inv. Tst. Fnd.	38.6	41.7	+0.6	4.13
Equitas Prog. Trust	71.0	76.8xd	+1.4	5.83

Allied Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	84.5	90.0xd	.....	12.83

Allied Hambro Ltd. (a) (b)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	77.3	82.7	.....	6.41
Brit. Inds. Fund	68.9	73.7xd	-0.1	7.06
Growth & Income	42.8	45.8	.....	6.07
Elect. & Ind. Dev.	37.5	40.1	.....	6.11
Allied Capital	78.7	84.2	+0.1	5.92
Hambro Fund	116.8	125.0xd	+0.3	6.46
Hambro Acc. Fund	148.0	158.4	+0.2	5.68

Income Funds

High Yield Fd.	63.5	67.9	.....	10.68
High Income	69.5	74.4	.....	8.98
A. H. Eq. Inc.	40.9	43.8	.....	8.29
Govt. Secs.	24.5	25.1	-0.2	8.96

International Funds

International	29.0	31.0	.....	3.48
Pacific Fund	49.4	52.9	+0.4	2.33
Secs. Of America	58.7	62.8xd	+0.2	2.87

Specialist Funds

Smaller Co.'s Fd.	47.8	51.1	.....	4.89
2nd Smlr. Co's Fd.	55.8	59.7	-0.1	4.91
Recovery Sits.	114.3	122.3	+0.5	6.83
Met. Min. & C'dty.	58.1	62.2	.....	4.74
Overseas Earnings	57.5	61.5xd	.....	6.26

Exempt Funds

Far East Exempt	56.2	58.4xd	+0.6	3.03
Smaller Co. Exempt	73.6	77.3	-0.1	5.17
U.S.A. Exempt	103.1	107.2	+0.2	3.26

Anderson Unit Trust Managers Ltd.

[illegible]

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. May 30	190.5	203.2xd	.....	6.18

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA. 01-623 8893

Great Winchester	17.0	18.7	.....	7.64
Gt. Winchester O'seas	20.9	23.0	.....	4.79

Emson & Dudley Tst. Mngmt. Ltd.
20 Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	74.1	79.7	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	75.3	79.2	+0.2	5.34

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4991.

American	24.2	25.5	+0.2	1.00
Fixed Interest	24.9	26.3	-0.1	13.11
Growth + Income	29.5	31.1xd	.....	8.09
Special Sits.	29.3	30.9	-0.1	3.06

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	28.8	31.0	+0.9	2.13
Accum. Units	35.4	38.1	+1.1	2.13
J. Finlay High Income	31.5	33.9	+0.8	10.72
J. Finlay Euro.Fin.	21.0	22.6	+0.2	3.99
Accum. Units	26.2	28.2	+0.3	3.99
J. Finlay Fd.In.Tst.	33.8	36.3	+0.9	5.62
Accum. Units	41.7	44.8	+1.2	5.62

Prices on June 11. Next dealing June 18.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American June 9	51.8	55.2	.....	1.20
Am. T'ground June 9	51.6	55.0	.....	2.00
Capital Tst.	51.8	55.4	-0.2	5.58
(Accum. Units)	52.6	56.2	-0.2	5.58
Extra Income Trust	47.4	50.6	+0.2	10.63
Income Tst.	35.6	38.0xd	.....	9.12
Int. Growth Fd.	44.0	47.0xd	+0.2	2.41
(Accum. Units)	46.8	50.0	+0.2	2.41

Friends' Provdt. Unit Tr♥ Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	50.2	53.6xd	-0.1	5.30
Do. Accum.	70.7	75.6	-0.1	5.30

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital June 5	118.5	120.3	.....	5.54
Gross Inc. June 5	74.9	77.7	.....	11.71
High Yield June 5	86.2	87.0	.....	10.87

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD. 01-628 8131

G.T. Cap. Income	116.7	124.1	.....	3.40
Do. Acc.	146.7	156.0	.....	3.40
G.T. Inc. Fd. Un.	166.9	177.5	.....	9.10
G.T. U.S. & Gen.	136.8	144.7	.....	2.60

[illegible]

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	67.2	70.7	.....	5.01

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income June 9	101.6	107.0	.....	9.67
General June 9	68.6	72.3	.....	6.70
Intnl. June 9	47.9	50.5	.....	3.36

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Mrc. Gen June 4	52.3	55.6	.....	6.32
Acc. Uts. June 4	72.9	77.6	.....	6.32
Mer. Int. June 4	75.6	80.4	.....	4.23
Acc. Uts. June 4	85.0	90.4	.....	4.23
Merc. Ext. May 29	65.6	68.3	.....	6.40
Accm. Units May 29	84.3	87.8	.....	6.40

Midland Bank Group Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head. Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	94.9	103.6xd	+0.7	4.15
Do. Accum.	117.9	128.7	+0.7	4.15
Overseas Growth	34.8	38.7xd	+0.2	2.53
Do. Accum.	40.4	43.6	+0.2	2.53
Capital	29.1	31.5	+0.2	4.94
Do. Accum.	33.6	36.3	-0.2	4.94
Income	54.2	58.6	-0.1	7.63
Do. Accum.	68.7	74.2	.....	7.63
North American	35.8	38.7xd	+0.3	3.36
Do. Accum.	39.6	42.8	+0.3	3.36
High Yield	55.6	60.1	.....	10.28
Do. Accum.	67.1	72.5	+0.1	10.28
Equity Exempt*	117.3	122.7	.....	5.67
Do. Accum.*	122.9	129.6	.....	5.67
Japan & Pacific	39.3	42.5	+0.2	1.52
Do. Accum.	39.8	43.1	+0.2	1.52

*Prices at May 23. Next dealing May 30.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster June 2	36.4	38.4	.....	7.62
Exempt May 30	92.7	96.7	.....	6.95

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	62.1	65.2	.....	4.79

Murray Johnstone U.T. Mgnt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	63.2	67.3	.....	3.05

Dealing Day Friday.

[illegible]

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund

Standard Units	62.3	66.2	.....	2.08
Accum. Units	68.5	72.9	.....	—
Withdrawal Units	43.8	46.7	.....	—

*Stewart British Capital Fund

Standard	151.4	161.6	.....	6.84
Accum. Units	174.9	186.8	.....	6.84

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Exp. Eq. June 11	£279.20	293.90	-0.5	5.53
♥The Family Fd.	119.1	126.6	-0.2	5.26

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941.
19, Athol Crescent, Edin. 3. 031-229 8621/2

Commodity	59.4	64.2	-0.1	2.03
Financial	79.1	85.9	+0.7	4.46
Gilt Accum.	126.8	133.1	-0.2	3.50
Investment Trust	34.6	37.4xd	.....	4.48
Special Situations	22.2	24.0	-0.3	4.85
American Eagle	29.8	32.2xd	+0.3	1.51
Pacific Income	26.3	28.4	+0.1	2.31
Pacific Accum.	30.1	32.5	+0.2	2.31
Income	24.5	26.5	+0.6	11.54
Extra Income	52.4	56.6	+0.8	12.21
Preference Share	11.4	12.6	.....	13.70
Equity	44.5	48.1xd	-0.4	6.89
Growth	33.8	36.5	+0.3	4.75
Professional June 11	196.0	210.7	.....	5.13
Eqty. Ex. Inc.	235.3	253.0xd	.....	7.28
Equity Ex. Accum.	350.8	377.2	.....	7.28

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX 01-628 2294

Income & Growth	20.2	21.2	-0.1	9.83
Special Situations	26.7	28.0xd	-0.9	2.83

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011

TUUT June 2	52.6	56.0	.....	6.32

Transatlantic and Gen. Secs.♥ (c)(y)
91-99, New London Rd., Chelmsford. 0245-51651

Barbican June 5	78.8	83.9	.....	7.23
(Accum. Units.)	129.8	138.0	.....	7.23
♦Barb. Expt. May 29	66.1	67.7xd	.....	3.26
Buckhm. June 5	82.0	87.3xd	.....	5.71
(Accum. Units)	110.3	117.4	.....	5.71
Colemco June 6	144.4	152.1	.....	6.83
(Accum. Units)	190.8	200.9	.....	6.83
Cuml June 11	52.5	55.8	+1.4	8.14
(Accum. Units)	64.4	68.4	+1.7	8.14
Field Intnl. June 5	98.6	103.2	.....	3.81
(Accum. Units)	98.6	103.2	.....	3.81

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

Vanbrugh Life Assurance♥
41-43 Maddox St., Ldn. W1R 9LA. 01-499 4923

Managed Fd.	170.1	179.1	-0.1	—
Equity Fd.	268.3	282.5	-0.3	—
Intnl. Fd.	101.6	107.0	+1.2	—
Fixed Int. Fd.	179.8	189.3	-1.0	—
Prop. Fd.	189.6	199.6	.....	—
Cash Fd.	138.3	145.6	.....	—

Vanbrugh Pensions Limited
41-43, Maddox St., Ldn., W1R 9LA 01-499 4923

Managed	126.7	133.4	.....	—
Equity	137.2	144.5	.....	—
Fixed Interest	120.5	126.9	.....	—
Property	127.2	133.9	.....	—
Guaranteed		13.75	.....	—

Welfare Insurance Co. Ltd.♥
Winslade Park, Exeter. 0392-52155

Moneymaker Fd.		108.6	.....	—

For other funds, please refer to The London & Manchester Group.

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Invetor Units	83.6	87.9	.....	—
Accum. Pen. Units	120.9	127.1	.....	—
Flex. Inv. Growth	112.2	118.1	.....	—
Future Assd Growth	16.0(A)	55.0(B)	.....	—
Ret. Ass'd Pen.	£27.64	—	.....	—

OFFSHORE & OVERSEAS FUNDS

[illegible]

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	US$133.48	135.31	.....	1.65

Next dealing June 27

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$10.24	—	+0.32	—

Net asset value June 9.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	US$10.24	10.26	.....	9.97
AHR Gilt Edg. Fd.	11.50	11.55xd	.....	13.72

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv.: ACMI, 319 High Holborn WC1. 404 0377
Daily dist.: June 10 0.000242 (9.20% p.a.)

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

East & Intl. Tst.(CI)	110.0	117.0	.....	3.21

Dealing last Thurs. of S. Ex. account.

Gov't Secs. Tst.(CI)	82.7	86.2xd	+0.4	14.80

Daily Dealings.

Sterling Fd.	111.1	111.2	+0.3	—

Dealing on Wed.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	US$111.68	112.16	.....	8.25

Prices at May 29. Next sub. day June 4.

[illegible]

Gartmore Intl. Inc.	19.8	21.1xd	.....	12.50
Gartmore Intl. Grth	87.4	93.0	.....	1.00

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far East June 11	HK$17.78	18.74	+0.44	—
Japan Fd. June 6	US$8.04	8.46	.....	—

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

Capital Reserve Fd†	£11.75	11.77	.....	0.21
C.I. Fund	166.0	176.8xd	.....	3.69
Special Sits. Fund	54.1	55.8	.....	3.74
Intnl. Bond	US$104.56	107.79	.....	8.61
Int. Equity	US$14.04	14.48	.....	1.04
Int. Svgs. 'A' $US	1.19	1.23	.....	—
Int. Svgs. 'B'	1.45	1.49	.....	—

Prices on June 11. Next dealing June 18.
†Excludes initial charge on small orders.

Henderson Baring Group
801, Gloucester, 11, Pedder, Hongg Kong

Japan Fd.* June 4	US$18.60	19.41	.....	—
Japan Tech. June 9		US$11.186	.....	—
Malay Sngpr. June 10		12.026	+0.606	—
Pacific Fd. June 4		US$13.210	.....	—
Bond Fd. June 5		US$11.157	.....	9.00

PO Box 71, 7 New St., Peter Port, Guernsey, CI.

Gilt Fd.	£9.70	9.79	-0.06	13.47

*Inclusive of Preliminary charge.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.

Guernsey Tst.	162.1	173.4	.....	3.88

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381.

HS Channel Is. Fd.	122.0	130.1	.....	4.25
H.S. Fixed Int. Fd.	94.0	99.0	+1.0	12.50

Box 2622, Berne, Switzerland. Telex 33425.

H.S. Overseas Fd.	US$21.37	22.22	+0.15	—
CSF Fd. (Acc.)	SF16.95	17.30	+0.04	—
Crossbow Fd. (Acc.)	SF4.31	4.39	-0.01	—
ITF Fd. (Acc.)	US$11.40	11.63	+0.01	—

N.V. Interbeheer
P.O. Box 526, Delft, Holland

Esmeralda (Iss. Price)	54.08	—	+0.11	0.37

International Pacific Inv. Mgmt. Ltd.
P.O. Box R237; 56, Pitt St., Sydney, Aust.

Javelin Equity Tst.	A$3.32	3.42	.....	3.80

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.		HK$418.77	.....	—
Jardine J'pn.Fd.*		HK$365.08	.....	1.0
Jardine S.E.A.		US$26.48	.....	1.50
Jardine Flem. Int.		HK$17.59	.....	0.5
Jardine Securities		HK$12.27	.....	—
Intl.Pac.Secs.(Inc.)		HK$15.26	.....	1.30
Do. (Accum.)		HK$15.70	.....	—

NAV May 15. *US$74.40.
Next sub. day May 30.

Leopold Joseph & Sons (Guernsey)
Hirzel Ct., St. Peter Port, Guernsey. 0481-26648.

L.J. Sterling Fund	£11.56	11.57	.....	—

Kemp-Gee Management Jersey Ltd.
1 Charing Cross, St. Helier, Jersey. 0534 73741

Capital Fund	126.1	130.0	.....	—
Income Fund	51.2	52.9xd	.....	12.98
Gilt Bond	£1,015	1,069	.....	—

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	SF138.95	149.95	.....	2.30
Bondselex	SF110.60	116.25	+0.30	—

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Continued on previous page

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Public Board and Ind.

1980 High	Low	Stock	Price £	+ or −	Int.	Red. Yield
61½	56½	Agric. Mt. 5pc '59-89	59½xd	......	8.36	12.55
80	73½	Alcan 10½pc '89-94..	75xd	......	14.00	14.30
28½	25	Met. Wtr. 3pc 'B'	27¾	......	11.14	13.19
103	89	U.S.M.C. 9pc 1982...	103	......	8.75	—
92	85½	Do. without Warrants	92	......	9.83	16.00

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
17	13	Ansbacher (H.) 5p.	14½xd	......	0.15	—	1.5	—
235	180	Arbuthnot L. £1	216	......	†10.42	—	6.9	—
360	280	Bk. Ireland £1..	280xd	−5	Q23.51	—	8.1	—
£162	£134	Do. 10pc Conv...	£134	......	Q10%	—	†7.0	—
*8	5	Bk. Leumi $0.1	6	......	gQ11.4%	—	22.1	—
120	100	Bk. Leumi (UK)£1.	120	......	8.57	—	10.7	—
178	135	Bk. N.S.W. $A1	140	......	Q16c	♦	6.0	♦
305	235	Bank Scotland £1	253	+3	15.0	5.1	8.5	3.2
£21	£16¼	Bankers N.Y.$10	£20¼	......	Q$3.30	—	7.3	—

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INDUSTRIALS—Continued

INSURANCE—Continued

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
254	208	Phoenix	232	+4	13.3	—	8.2	—
175	136	Provident	174	......	10.2	—	8.4	—
199	162	Prudential	199	+2	9.5	—	6.8	—
180	140	Refuge 5p	180	+2	10.6	—	8.4	—
356	307	Royal	332	+2	21.5	—	9.2	—
108	88	Sedgwick 10p	106	–2	5.0	2.3	6.7	9.3
82	67	Stenhouse	77	......	4.52	2.5	8.4	6.9
215	168	Stewart Wr. 20p	202	......	12.0	2.0	8.5	(8.1)
610	520	Sun Alliance £1	602	+4	28.0	—	6.6	—
172	130	Sun Life 5p	172	+2	H7.5	—	6.2	—
541	433	Taisho Mar. EDR	514	+14	Q010%	—	0.2	—
193	155	Trade Indemnity	185	......	5.6	—	4.3	—
£19⅞	£15¼	Travelers $2.50	£17¼	+⅛	Q$2.48	—	6.3	—
250	207	Willis Faber	225	......	11.0	1.8	7.0	11.1

LEISURE

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
74	60	Anglia TV 'A'	73	......	3.57	3.0	7.0	6.6
99	81	Assoc. Leisure 5p	92	......	†4.25	2.6	6.6	7.6
129	82½	Barr & W.A.T. 'A'	86xd	......	6.75	ϕ	11.2	ϕ
63½	35	Black Edgtn. 50p	38	......	d5.0	1.0	18.8	(7.6)
136	86	Boosey & Hawkes	109	+3	5.67	1.8	7.4	(8.9)
90	45	Campari Intl. 20p	50	+1	†h3.65	3.5	10.4	3.0
80	57	Coral Leis. 10p	64	......	7.45	2.2	16.6	3.9
95½	76½	Fairline Boats 10p	77	......	g5.2	3.6	9.8	6.0
55	37	[illegible] 10p	48	......	—	—	—	—
35	24	Grampian 'A' 10p	34	......	2.28	1.7	9.6	8.6
107	90	HTV Non/Vtg.	107	......	10.0	1.5	13.8	7.1
*47½	35½	Hawley Leisure 5p	42½xd	–½	M1.6	5.7	5.4	7.2
270	200	Horizon 5p	256	+1	ϕ7.35	4.4	4.1	7.9
14	4	H'Wrd Wyd 20p	7	......	‡0.34	—	‡	—
13	10	Lancaster (D. M.) 5p	10	......	—	—	—	—
136	100	LWT "A"	118	......	9.89	2.3	12.0	5.6

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

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TRUSTS, FINANCE, LAND

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Finance, Land, etc.

FINANCE, LAND—Continued

OIL AND GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	22	......	—	—	—
24	12	ACM 20c	18	......	—	—	—
100	52½	Bond Corp.	92	–6	hQ2.8c	2.2	1.6
156	88	Bougainville Kina	121	–1	hQ26.2c	1.8	12.0
265	195	BH South 50c	200	......	ϕ	—	—
25	11⅛	Canada Northwest	21	......	—	—	—
42	8	Carr Boyd 20c	32	+4	—	—	—
£30	£15¾	Central Pacific	£28	......	—	—	—
356	230	Conzinc Riotinto 50c	270	–4	Q15c	2.1	2.9
39	17	Cultus Pacific N.L.	35	+1	—	—	—
50	20	Eagle Corp. 10c	30	......	—	—	—
26½	15¾	Endeavour 20c	24½	......	—	—	—
372	175	G. M. Kalgoorlie 25c	356	+12	†Q3c	—	0.4
46	15	Great Eastern	22½	......	—	—	—
395	260	Hamptn Areas 5p	360	......	3.5	2.8	1.4
82	30	Haoma Gold N.L.	75	+2	—	—	—
720	80	Leichardt Expln.	260	......	—	—	—
72	41	Metals Ex. 50c	60	......	—	—	—
312	187	M.I.M. Hldgs. 50c	220	......	†hQ6.1c	1.8	3.7
20	7	Minefields Expl. 25c	15	......	—	—	—
155	60	Mount Lyell 25c	82	–2	—	—	—
28	15	Newmetal 20c	23	+1	—	—	—
35	12	Nickelore N.L.	22	......	—	—	—
207	137	North B. Hill 50c	166	–4	†Q12c	1.4	3.8
88	44½	Nth. Kalgurli	81	+1	—	—	—
165	90	Nth. Mining Corp.	140	+5	—	—	—
66	24	N. West Mining N.L.	62	......	—	—	—
235	144	Oakbridge $A1	195	......	Q12c	4.7	3.2
122	70	Otter N. L.	100	–4	—	—	—
230	128	Pacific Copper	206	+6	—	—	—
465	255	Pancont'l 25c	340	+15	—	—	—
78	42	Paringa M&Ex.5p	59	......	—	—	—
495	335	Peko-Wallsend 50c	390	......	tQ17.5c	ϕ	2.3
230	140	Seltrust A	164	+4	—	—	—
£11¾	575	Southern Pacific	£10	......	—	—	—
75	31	Swan Resources 20c	60	......	—	—	—
13	8	West Coast 25c	8	......	—	—	—
264	177	Westn. Mining 50c	250	......	†Q7c	1.6	1.5
30	10	Westmex	17	......	—	—	—
108	56	Whim Creek 20c	100	......	—	—	—
25	10½	York Resources	23	–1	—	—	—

Tins

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
25	14	Amal Nigeria 1p	15	......	j6.0	—	—
345	255	Ayer Hitam $M1	285	......	†Q290c	0.9	‡
67	42	Beralt Tin	49	......	4.5	3.2	13.1
190	149½	Berjuntai $M1	180	......	†Q95c	1.0	‡
230	153	Geevor	200	–10	8.4	ϕ	6.2
11	10	Gold & Base 12½p	10½	......	—	—	—
400	310	Gopeng Cons.	375	+5	†25.0	1.8	9.5
320	280	Hongkong	320	......	35.87	ϕ	16.0
105	90	Idris 10p	95xd	......	14.0	ϕ	21.1
15	12½	Jantar 12½p	13xd	......	1.5	ϕ	16.5
85	64	Kamunting $M0.50	85	......	Q47½c	1.1	12.5
225	150	Killinghall $M1	225xc	......	hQ50c	ϕ	4.5
730	485	Malay Dredging $M1	730#	......	♦Q105c	2.6	2.9
33	26	Pahang	32	......	0.44	0.3	2.0
108	90	Pengkalen 10p	92	......	6.0	1.3	9.3
290	230	Petaling $M1	285xd	......	†Q150c	1.4	11.0
70	57	Saint Piran	65#	......	‡2.5	6.4	‡
44	28	South Crofty 10p	31	......	‡3.0	2.0	‡
255	180	South Kinta $M0.50	250#	......	♦Q150c	1.0	12.2
450	340	Sthn Malayan $M1	450#	......	♦Q175c	2.1	7.9
295	215	Sungei Besi $M1	280	......	†Q520c	1.0	37.8
39	22½	Supreme Corp. $M1	38	......	hQ8c	—	4.3
100	92	Tanjong 15p	92xd	......	Z4.5	ϕ	7.0
95	80	Tongkah H. Tin	80	......	Q45c	1.3	12.6
300	220	Tronoh $M1	300xd	+15	Q250c	0.7	17.0

Copper

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
235	130	Messina R0.50	175	......	mQ10c	ϕ	3.3

Miscellaneous

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
170	78½	Anglo-Dominion	135	–33	—	—	—
97	56	Barymin	57	......	—	—	—
17	12	Burma Mines 10p	16½	......	0.62	1.1	5.4
502	320	Cons. Murch. 10c.	320	......	hQ180c	1.8	18.6
585	325	Northgate C$1	400	–10	—	—	—
485	327	R.T.Z.	393	......	15.0	3.2	5.5
33	16	Robert Mines	23	......	—	—	—
58	26	Sabina Inds. C$1	30	–1	—	—	—
650	411	Tara Expln. $1	450	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ¶ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –
Albany Inv. 20p	29	......
Bertam	17	......
Bdg'wtr. Est. 50p	410	......
Clover Croft	60	......
Craig & Rose £1	£10½	......
Fife Forge	32½	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	£14½	......
Higsons Brew	73	......
Holt (Jos) 25p	250	......
I.O.M. Stm. £1	185	+5
Pearce (C. H.)	455	......
Peel Mills	40	......
Sheff. Refrshmt	103	......
Sindall (Wm.)	140xd	......

IRISH	Price	+ or –
Conv. 9% '80/82	£88⅝	......
Nat. 9¾% 84/89	£79	–½
Fin. 13% 97/02	£86½	–½
Alliance Gas	45	......
Arnott	360	......
Carroll (P.J.)	52	+1
Clondalkin	116	......
Concrete Prods.	75	......
Helton (Hldgs.)	34	......
Ins. Corp.	245	......
Irish Ropes	55	......
Jacob	35	......
T.M.G.	85	–5
Unidare	93	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	27	Utd. Drapery	6½
BOC Intl.	6	"Imps"	6½	Vickers	12
B.S.R.	4½	I.C.L.	14	Woolworths	5½
Babcock	8	Inveresk	4	**Property**	
Barclays Bank	34	Ladbroke	15	Brit. Land	7
Beecham	18	Legal & Gen.	15	Cap. Counties	4
Blue Circle	25	Lex Service	8	Land Secs.	24
Boots	16	Lloyds Bank	24	MEPC	17
Bowaters	15	"Lofs"	3½	Peachey	13
B.A.T.	20	London Brick	6	Samuel Props.	12
Brown (J.)	6	Lucas Inds.	17	Town & City	2
Burton 'A'	10	"Mams"	14		
Cadburys	5½	Mrks. & Spncr	8	**Oils**	
Courtaulds	8	Midland Bank	26		
Debenhams	8	N.E.I.	5	Brit. Petroleum	32
Distillers	17	Nat. West. Bank	27	Burmah Oil	20
Dunlop	7½	P & O Dfd.	10	Charterhall	10
Eagle Star	15	Plessey	14	KCA	11
F.N.F.C.	2¼	Racal Elect.	22	Premier	13
Gen. Accident	21	R.H.M.	4½	Shell	35
Gen. Electric	30	Rank Org.	15	Tricentrol	40
Glaxo	18	Reed Intnl.	16	Ultramar	35
Grand Met.	12	Sears	5		
G.U.S. 'A'	34	Tesco	6	**Mines**	
Guardian	23	Thorn	23		
G.K.N.	20	Trust Houses	12	Charter Cons.	14
Hawker Sidd	15	Tube Invest.	23	Cons. Gold	40
House of Fraser	15	Unilever	40	Lonrho	8
		U.D.T.	5½	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 34

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Thursday June 12 1980

Saudis give two-tier package time to prove itself

Most OPEC prices up $2 from July

BY RICHARD JOHNS IN ALGIERS

MOST members of the Organisation of Petroleum Exporting Countries (OPEC) are to raise their prices by u pto $2 a barrel from July 1 in the wake of a compromise pricing and supply package agreed at a tough, three-day conference of oil ministers.

Under the two-tier price package Saudi Arabia and the United Arab Emirates. who between them account for about 40 per cent of OPEC production, will delay their own increases for two or three months to see if the attempt to co-ordinate prices after 18 months of chaos works.

They are then expected to raise their prices closer to the new ceiling for Arabian "marker" crude of $32 a barrel. In addition the leading hawks within OPEC-Iran, Libya, Algeria and Nigeria—have agreed to limit their own official prices to within a new upper ceiling of $37 a barrel.

It is expected that those countries already charging above the new two-tier marker levels ($32 for Gulf light crude and $37 for premium North African crude) will freeze their tariffs at present levels. They include Iran and Algeria.

The complex formula agreed here will effectively mean an average increase of about $1 a barrel—a rise that could add between 1.5p and 2p a gallon at petrol pumps.

There is absolutely no guarantee that prices will not break through the approved $37 limit. Nor was tha subject of surcharges and premiums discussed.

"There is no way we can stop national oil companies discussing arrangements over and above official prices," said Sheikh Ali Khalifa al Sabah, Kuwaiti Oil Minister.

But delegates expressed confidence that prices could be held within a range of $32-$37. This fragile looking framework is regarded by the majority—*sincerely it should be said*—as a serious move towards a unified price structure.

Saudi Arabia's optimism on this score rests on the assumption that there will be a continued surplus of supply over demand.

The hope is that the basis has been laid for a system of quarterly indexations from October 1 at the earliest, or from the beginning next year.

Of critical importance is whether Saudi Arabia decides to maintain its present production levels of 9.5m barrels a day or reduces output to the "official ceiling" of 8.5m barrels a day. in force up until last June.

Sheikh Ahmed Zaki Yamani, Saudi Oil Minister, implied that *the higher rate would continue* during the third quarter. But no decision has yet been made.

Clearly, if prices are to be held within the $32-$37 range, the market will need the support of the kingdom's extra 1m barrels a day.

A rate of 9.5m barrels a day "will help the downward trend" of prices, Sheikh Yamani said. He pointed out that even charging $28 a barrel Saudi Arabia could meet its financial requirements at a production rate of 5m barrels a day.

Sheikh Yamani estimated that average OPEC production during the third quarter of 1980 would be about 28m barrels a day, but predicted that it would fall to 26m barrels a day in the July-September period. This would imply a production drop by other major With luck its only $1 more a producers.

An informal "understanding" has been reached by other producers on co-ordinating their output.

barrel, Page 22

THE LEX COLUMN

Who wins out in the News deal

If it comes off, the reorganisation of News International will represent a personal coup for its chairman, Mr. Rupert Murdoch. It will mean that over a period of 11 years, his Australian master company, News Corporation, will have acquired 100 per cent voting control of the much larger UK business without issuing a single share and for a relatively modest cash outlay (maybe about £25m). As a result, Mr. Murdoch has been able to keep a firm grip on NC's equity, where his family interests will remain at about 43 per cent.

The deal also has obvious attractions for NC itself. Its last balance sheet showed shareholders' funds of roughly £71m and debt of around £27m. Since then its acquisitions—notably a half share in the Ansett airline—may have exceeded its disposals plus the proceeds of a preference issue by perhaps £30m.

This rather highly geared balance sheet would be transformed by switching NI from associate status to a wholly owned subsidiary. The UK company has net assets of £82m, very little long term debt, and net cash balances of nearly £9m. The reorganisation would also have a very favourable effect on NC's cash flow, for although the UK company accounts for a large chunk of the Australian group's earnings, its actual dividend remittances are quite modest.

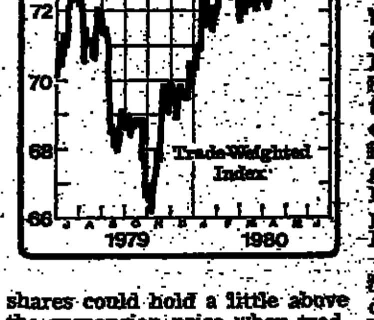
The attractions for the public shareholders in NI are a lot less obvious. Following a one for one scrip, their equity will be converted into a new class of shares with very limited voting powers and rights to dividends equivalent to those paid out by the Australian company. There will then be a cash offer of 100p per share for up to half these new shares.

The effective suspension price was 81½p, and earnings per share are over 15p, so this is a very modest premium for surrending voting control—and indeed voting rights—in one of Britain's most successful publishing businesses.

On the positive side, the deal would eliminate potential conflict of interest between the two groups, such as the development of their joint U.S. interests. NC points out that its own shares—which are directly comparable to the new class in terms of dividend rights—trade at around 112p, and suggests that UK shareholders' rights to future income streams will be greater than their contribution to earnings.

The trouble is that there is no information at all about the earnings outlook for the two companies. And although the

Index rose 6.6 to 446.9



shares could hold a little above the suspension price when trading resumes this morning, there is unlikely to be much enthusiasm in the London market for the scheme. However any opposition will be difficult to organise, because of the lure of the partial cash offer.

Metal Box

After standing on a profits plateau for four years, Metal Box now looks set to break through to higher ground. Pre-tax profits have managed to edge ahead by 2½ per cent to £59.8m in spite of the steel strike, which the company, British Steel's second-largest customer, estimates has reduced the result by £13m. The share price rose 12p yesterday to 284p, to produce a yield of 10½ per cent.

Metal Box has provided disaggregated data for the first time, which show that the decline in the strike-hit canning divisions has been counterbalanced by a recovery in paper and plastics and buoyancy in the overseas businesses, particularly in Nigeria, South Africa and Italy, and the Stelrad central heating division. Stelrad's trading profits are up four-fifths at £13.9m and volume is 20 per cent higher.

While the economic downturn is likely to hold Stelrad back in the current year, the overseas businesses should push further ahead, boosted by a contribution from the new California plant. In canning, the company has achieved a major breakthrough by introducing continuous shift working in its Carlisle two-piece plant. The positive contribution to profitability of this will far outweigh the adverse impact of the after-effects of the strike and the entry of the U.S. Continental Can in the beverage market this summer. Interest charges, up to per cent at £19.8m, are already easing since a substantial proportion of debt is held in the U.S. Unless the company runs into further industrial disputes profits may be up a quarter in a difficult year for manufacturing industry.

Hanson Trust

Hanson Trust has pushed pre-tax profits ahead from £12.5m to £16.1m in the six months to March, and the figure would have been £¼m higher but for the effect of the lower dollar on the translation of U.S. earnings. The performance owes a good deal to the inclusion of Lindustries, most of which was paid for with the proceeds of Hanson's rights issue.

In general the group seems to be encountering trading conditions that are dull, and becoming duller. The U.S. textile businesses are holding up well, but a decline cannot be postponed indefinitely, and much the same goes for Hanson's interests connected with construction in the UK.

On past form, Hanson must be itching for an acquisition to get things moving again. The group is generating cash from trading and, as the unsuccessful bid for Barber Oil showed, the balance sheet has room for something sizeable.

Saint Piran

The Takeover Panel's statement on the Saint Piran affair more or less invites the Stock Exchange to forbid its members to deal with Mr. Jim Raper and his friends, whom the Panel has found to have acted in concert in buying more than 30 per cent of Saint Piran shares. Their refusal to make a bid for the outstanding shares constitutes a breach of the code, as a result of which the facilities of the market should in principle be denied to them.

Until they are prevented from dealing the Stock Exchange has little choice but to keep the Saint Piran shares suspended. The price would be likely to collapse if the suspension were lifted, and the concert parties would be able to buy more shares cheaply through nominees. As they still seem unprepared to mount a full bid, and have so far been unprepared to waive their voting rights in Saint Piran, the hope must be that they will decide there is no point in having capital tied up unfruitfully, and agree to sell their shares to someone acceptable to the Panel. Here is a chance for someone to pick up a strategic stake without having to go through all the fuss of a dawn raid.

Marines to quell Pacific rebels

BY DAVID TONGE

IN A rare twitch of the lion's tail Britain is sending a company of Royal Marines to the troubled, tropical islands of the New Hebrides.

The move is in response to the spreading rebellion among the 112,000 people in the remote Anglo-French condominium to the north-east of Australia.

Two weeks ago Mr. Jimmy Stevens, a colourful Eurasian with a hog's-tusk necklace, said he was leading the island of Espiritu Santo to its independence and proclaimed himself President of Paradise.

Yesterday a second island, Tanna, tried to follow his lead. One Opposition leader was killed, a policeman was wounded and 29 prisoners were freed from jail before order was restored.

France has since sent in about 60 French gendarmes *from the nearby nickel-rich* French island of New Caledonia to take over protection of the capital, Port Vila. Many of the security forces from Port Vila had been sent to try to ensure calm on Tanna.

Britain and France assumed control of what were the South Pacific's most lawless group of islands in 1887. Since 1906 they have ruled through a condominium, one so riven by rivalry that it is known locally as "pandemonium."

They had agreed that the islands should become independent on July 30, but yesterday Lord Carrington, Foreign Secretary, said that keepng to that date depended on developments.

While the British were keen to dispose of their responsibilities, the French were reluctant to see the string of 80 islands taken over by the pro-British local Government of Father Lini. This Government threatened to dispossess French—and British—settlers and to support an independence movement on New Caledonia.

It is four years since Britain last despatched troops on a similar mission. In 1976 Britain sent a battalion and some Harriers to protect the Central American dependency of Belize from invasion by Guatemala. In 1969 it had its "Bay of Piglets" when 62 British policemen were sent with bicycles and truncheons to the Caribbean island of Anguilla.

However much Britain and France may quarrel in the Pacific, both say that even if their motives and interests differ they will tackle the problem together. "We are determined not to behave like the childhood characters Tweedledee and Tweedledum who "resolved to have a battle," one official said. "This is not the stuff of international disputes."

Murdoch unveils shares plan

BY REG VAUGHAN

CONTROL OF Mr. Rupert Murdoch's News International, publisher of the Sun and News of the World, would pass to his Australian master company under capital reorganisation proposals unveiled yesterday.

News Corporation already has 49.9 per cent of the British company.

Under a complex deal, other *News Interntional shareholders* would be offered the choice of selling t heir stake to News Corporation or holding a new class of share. This would have restricted voting rights, but carry the same dividend as the Australian company.

The proposals come when there is an increasing trend to enfranchise non-voting shares, mainly as a result of pressure from institutions.

News Corporation will end up owning all the ordinary capital of News International and will offer 100p a share for each new share, to a maximum of 50 per cent. This would cost about £19.6m. News International shares weer suspended at 163p on May 19. Dealings are to resume today.

News Corporation's publications in Australia include The Australian, Daily Telegraph and Sunday Telegraph, the Daily Mirror in Sydney, the News and Sunday Mail in Alelaide, the Sunday Times in Perth, and the Sunday Sun in Brisbane.

Mr. Murdoch said :"We are doing the deal now because of possible conflicts of interest between the UK orgaisation and the Australian organisation. We should have done it years ago. It's a lot simpler to put the whole lot together.

"The News of the World has lost its way a bit—we are fighting very hard there We wanted to go tabloid but the unions' price was always too high"

News Corporation is forcasting dividends of 9 Australian cents a share for 1979-80. On this basis, the statement says, the reorganisation's effect will be to increase the dividends to holders of News International shares by 48 per cent. A further dividend rise is expected in 1980-81.

Major holders Mr. Carr and family (the original News of the World owners), Mr. Paul Hamlyn and five investment institutions support Mr. Murdoch's plan. The total of their holdings represent 28.9 per cent of the present ordinary shares other than those owned by News Corporation.

The institutions include a major pension fund, insurance company, investment trust and unit trust. Hambros Bank, acting on behalf of News International, said the institutions refused to be identified.

A condition of the transaction is that there is no reference to the Monopolies Commission. The mandatory referral in the case of any newspaper marger does not apply as News Corporation already has more than 30 per cent.

In the proposals, News Corporation has been advised by Morgan Grenfell and Co.

The Murdoch empire, Page 28

Times technology progress 'too slow'

BY GARETH GRIFFITHS

LORD THOMSON of Fleet yesterday appealed to the National Graphical Association to adopt a "positive approach" to Times Newspapers' efforts to introduce new technology, which he said were not making sufficient progress.

He deeply regretted that talks had not taken place on the possibility of journalists and advertising staff operating computer typesetting machines.

Times Newspapers had not yet been able to use new computer setting equipment, which it had installed, at a cost of £3m, even with a guarantee that the NGA should exercise a monopoly over its use.

Lord Thomson, chairman of the International Thomson Organisation, told the annual general meeting in London that new methods of working were needed to enable newspapers to improve prospects of becoming profitable and self sufficient.

Times Newspapers is expected to make a substantial loss this year, though considerably less than last year.

Times Newspapers believed when it agreed to resume publication last October, that it had secured an undertaking that the NGA, the National Union of Journalists and the National Society of Operative Printers, Graphical and Media Personnel, would reach agreement on flexible use of new machines.

Lord Thomson also said production of the Sunday Times was still being disrupted, partly as a result of industrial action.

The Times management viewed this as a major problem, although the production record *of The Times had been good.*

Mr. Joe Wade, NGA general secretary, yesterday said the union was not prepared to discuss any new technology agreements involving shared access with other unions for the three years of the present deal,

The NGA was prepared to operate the new technology installed at Times Newspapers if the union had a monopoly on its use. The new equipment had not yet been used because of the company's refusal to meet the union's proposals for buying out piece-rate payments.

The union has been discussing several issues with The Times Mr. Wade said, but it viewed the talks envisaged by Lord Thomson as outside the agreement reached at the resumption of publication.

Lord Thomson said a conference between union and management last month, had proved a major step forward and could provide "the firm foundation on which to build a sense of common purpose."

Times Newspapers was planning a follow up goodwill conference in the early autumn, he said.

Takeover Panel rebukes Raper

BY ANDREW FISHER

THE City Takeover Panel yesterday delivered a stinging rebuke to Mr. Jim Raper, the man at the centre of the controversy over the St. Piran tin mining and property group of which he used to be chairman.

The panel has already said that Mr. Raper and three foreign-based companies which have built up shareholdings, should make a full bid for St. Piran—but this has not been done.

In one of its toughest statements ever the panel said: "Mr. Raper, whose conduct in this matter has been deplorable, is unfit to be a director of a public company."

It would advise the relevant authorities, and had asked the Stock Exchange to consider continuing the suspension of St. Piran's shares.

No comment was available last night from Mr. Raper, who *was believed to be flying back* to his home in Switzerland. With Gasco Investments of Hong Kong, Aerolineas Cordoba, Panama, and Ruffec of Luxembourg, the panel holds that Mr. Raper, who heads Gasco, had acquired 37 per cent of the St. Piran shares.

Under the Takeover Code these shareholders are obliged to mount a full bid, which would cost them about £7m. But St. Piran said last month Gasco had not raised enough money to do this.

St. Piran said after the panel's lengthy statement it was concerned about the effect of the continuation of the suspension of its shares on its 2,500 shareholders.

The shares were suspended in May at 65p after the panel sent all parties concerned a draft of the conclusions which it published yesterday. The panel required that Gasco and the rest of the alleged "concert party" of shareholders make its bid at 85p a share.

The panel had been shown letters and telex messages from Aerolinas and Ruffec, denying that they have any connection with Mr. Raper of Gasco, St. Piran *said last night.*

Weather

UK TODAY

CLOUDY with some rain, particularly over Southern England and Wales.

Edinburgh and Dundee, Aberdeen, Glasgow, Central Highlands, Moray Firth, N. Scotland, Orkney, Shetland
Cloudy, mainly dry, rather cool in places. Max. 15C (59F).

Outlook: Unsettled but becoming warm in parts of the South.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	21	70	Lisbon	C	19	66
Algiers	S	27	81	Locarno	F	21	70
Amsdm.	S	20	68	London	C	17	63
Athens	E	29	84	Luxmbg.	C	15	59
Bahrain	S	36	81	Luxor	S	41	106
Barclna.	F	21	70	Madrid	C	25	77
Beirut	S	26	79	Majorca	F	26	79
Belfast	R	13	55	Malaga	Fg	19	66
Berlin	R	18	64	Malta	S	26	79
Biarritz	C	20	68	M'chstr.	R	12	54
Bmghm.	R	15	59	Melbne.	R	9	48
Blackpl.	R	12	54	Mex. C.	S	24	75
Bordx.	C	21	70	Milan	S	21	70
Boulgn.	C	13	55	Mntreal.	S	11	52
Bristol	C	13	55	Moscow	S	28	82
Brussels	C	19	66	Munich	F	20	68
Budpst.	C	22	72	Nairobi	S	21	70
B. Aires	C	23	73	Naples	S	22	72
Cairo	S	38	96	Nwcstl.	R	11	52
Cardiff	R	12	54	N. York	S	17	63
Cas'b'ca	C	22	72	Nice	S	21	70
Cape T.	S	17	63	Oporto	C	16	61
Chicago	S	19	66	Oslo	R	24	75
Cologne	F	21	70	Paris	C	18	64
Cpnhgn.	S	25	77	Perth	S	15	60
Corfu	S	24	75	Prague	C	18	64
Dublin	R	11	52	Reykjvk.	C	8	46
Dbrvnk.	S	21	70	Rhodes	S	31	88
Ednbgh.	C	13	55	Ri oJ'o	S	31	88
Faro	C	22	72	Rome	S	23	73
Florence	F	21	70	Salzbrg.	C	20	68
Frankft.	F	19	66	Singapr.	S	30	86
Funchal	F	20	68	Stckhlm.	F	25	77
Geneva	S	21	70	Strasbg.	C	21	70
Gibrltr.	F	24	75	Sydney	S	13	55
Glasgow	C	16	61	Tangier	F	22	72
G'rnsey	F	15	59	Tel Aviv	S	26	79
Helsinki	F	25	77	Tenerife	C	21	70
H. Kong	S	30	87	Tokyo	C	24	75
Innsbrk.	F	22	72	Toronto	C	18	45
Invrnss.	C	12	54	Tunis	S	26	79
Istanbul	F	31	88	Valencia	F	24	75
Jersey	F	16	61	Vienna	F	23	73
Jo'burg	S	15	59	Warsaw	F	25	72
L. Plms.	F	22	72	Zurich	S	19	66

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny.

Bonn likely to press

Continued from Page 1

The content of the Summit's probable declaration has been changing over the last few days, largely because of American pressure aimed at fending off any move which could cut across a possible resumption of the Camp David peace talks on Palestinian autonomy.

As a result the Community has dropped any idea for the time being of sponsoring a UN Resolution aimed at amending Security Council Resolution 242 so that it confers definite political rights to the Palestinians.

The Summit is likely to content itself with referring to the "Palestinians' right to self-determination within the framework of a comprehensive peace settlement."

Similarly, there is no question of the EEC formally recognising the Palestinian Liberation Organisation. However its declaration is likely to affirm that the PLO should be involved in any negotiated settlement

TKM signs option for Stonefield

BY RAY PERMAN, SCOTTISH CORRESPONDENT

AN OPTION to buy Stonefield Vehicles, in which the Scottish Development Agency has invested £4m, was signed yesterday by Tozer Kemsley Millbourn, *the motor distribution* and trading group.

TKM International (Holdings) has until the end of next month to complete its offer to buy 75 per cent of the equity of Stonefield, which makes a range of cross-country trucks, designed primarily for military use and approved by the Defence Ministry.

It will be able to buy the remaining 25 per cent by 1985.

TKM is to evaluate export demand for the truck and try to win orders.

Sales have initially proved difficult. Stonefield has been losing money heavily. The Government instructed the agency earlier this year not to continue to support the losses.

If TKM's option is not taken up, the alternative is almost certainly liquidation.

Mr. Hugh Jack, the agency's industry director, said the deal had been approved by the Government. It would bring the company into an international organisation which had the expertise and resources to carry out extensive and specialised marketing.

He declined to say how much TKM *would pay for the company.* The eventual purchase agreement will entitle the agency to a share of Stonefield's profits—if there are any. Mr. Jack would not say how much of the £4m investment was likely to be recovered.

He said: "We did not want the vehicle, now successfully developed and tested, to go into production outside Scotland and we have been given this assurance by TKM. We are confident that by linking into its worldwide marketing network, the Stonefield vehicle will find a demand large enough to bring the viability that will secure jobs."

Stonefield has reduced its *labour force to 100 to match* the low level of sales.

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Prime rate edges down

But the market still lacked the definitive sign it is seeking that the Federal Reserves is ready to sanction a further drop in rates by allowing its key Federal Funds rate to drop below 8 per cent.

With evidence of the scale of the recession continuing to mount and with credit demand slackening, interest rates are expected to weaken further

The prime peaked at 20 per cent in mid-April one month after President Jimmy Carter and the Fed anounced a credit *tightening exercise designed to* reduce inflation.

Water authority to use meters

THE Anglian Water Authority is introducing meters for customers who think they are being charged too much. They will only pay for water they *have used, rather than a standard charge.*

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